No. 4

INDEX BUREAU
JUN 5
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INDEX BUREAU
8984/602

AMERICAN CONSULATE-GENERAL

ADIS ABABA, ABYSSINIA, MAY 3,1911.

SUBJECT:

Concessions Granted by the Abyssinian Government.

ABSTRACT:

Transmits report concerning industrial concessions,etc.,in Abyssinia.

BUREAU OF TRADE RELATIONS
RECEIVED
JUN 12 1911
DEPARTMENT OF STATE.

BUREAU OF TRADE RELATIONS.
JUN 15 1911
ACKNOWLEDGED.

FILED

FILED
JUN 26 1911

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to transmit herewith a report, in duplicate, relative to concessions granted by this Government for the purpose of mining and cultivation, containing what information I have at hand concerning the success or failure of these enterprises.

I will at an early date submit a separate report on cotton growing in Abyssinia, which industry seems to have been the most successful here so far.

I have the honor to be, Sir,

Your obedient servant,

Vice Consul General.

Enclosure:
Report in duplicate.

Enclosure in No.# Consular of May 3,1911.

REPORT ON

MINING AND INDUSTRIAL CONCESSIONS IN ABYSSINIA.

Rail Roads.

The first concession of importance granted by the Abyssinian Government was to a French Company for the building of a railway from Djibouti, French Somaliland, to Adis Ababa, a distance of about 500 miles, which after the construction of the line as far as Dire Dawa, the Abyssinian frontier town, was discontinued. The concession was taken over by another French Company(Companie Imperiale des chemins de fer en Ethiopie), which was formed in France in 1908, and work was again started on the completion of the line to Adis Ababa. Since that time, however, difficulties have arisen which have prevented the completion of certain details in agreement between the company and this Government, and the work has progressed slowly, only about 100 kilometres are under process of construction at this time.

Mercury.

Later, Count Zychia was sent here by the house of Rothchild, he was followed by Baron von Erlanger, who together spent several months in different parts of the country prospecting and reported large deposits of mercury in some of the provinces, and asked for a concession to develop it, which was refused. After their return to Europe Baron Rothchild came to Abyssinia with the same request, he, however, was also refused by Emperor Menelik. No prospectors

prospectors have been able to find mercury in the country since but the same is supposed to be located in the district occupied by the late Ras Tessamma, which by his death will probably revert to the crown.

Austrian Colony, proposed.

In 1905 the Austrian Government sent a mission composed of Baron Milins, Count Setchuie and Prince Hoehenloche-Oehringer to Abyssinia, which remained here until 1907 and secured a large concession of land in the south-western part of the country, in the provinces of Kafa, Guma and Walega. The object of the Austrian Government was to establish a colony for undesirable Slavonian and Behemian subjects. The concession was lost through inability to carry out the plans proposed.

Coal & R.R.

In 1906 an English Company sent a large mission here under the direction of a Mr. Williams who desired a monopoly on the coal product of the country, and a concession for a railway line from Guma to connect with the Cape to Cairo R.R. After nine months in the country he was able to obtain only a small concession to exploit the coal deposits of Tuglet, which were not sufficiently valuable and the concession was dropped.

Electric R.R.

In 1906, M. Tugas, accompanied by 17 engineers, came to Abyssinia in the interest of the firm of G. Zervoudakis & Co. of Alexandria, and obtained a concession to build and operate an electric R.R. between Dire Dawa and Adis Ababa. The granting of this concession for a time held up the

French

French R.R. Co. who afterwards paid to G.Zervoudakis &.Co., 50,000 francs in 3% guaranteed shares of the railway, to have his concession canceled.

This concessionnaire also requested a tract of land 7 miles square, close to Adis Ababa for the establishment of a town at the terminus of his proposed electric line, this, however, was not granted. A monopoly on the tanning and exportation and importation of hides and skins was also refused him.

Land concession, for the propagation of cotton.

Out of fifteen concessions of land requested by the same company, four only have been granted: in Bilan, on Lake Zaoui, on the Ome and Baro Rivers. in all comprising a territory of 144.000 acres, for the propagation of cotton,etc.

Gold mining.

Mr.G.Zervoudakis &.Co. were granted an extensive concession covering nearly the entire province of Walega for mining purposes, upon which has already been expended about £100.000. The promoting Co.(Egypto Ethiopian Mining Co.) have had five engineers on the ground but no extensive operations have as yet taken place there. When work is started on this property the company are to pay 10% of the frofits to this Government.

Gold, copper and diamonds.

In 1907, a German concessionnaire, Baron von Falkenegg secured the mineral rights of an extensive tract in Berane, Sidame and Ogadin in south-eastern Abyssinia. His engineer's reports show gold, copper and diamonds in small quantities, the diamonds are of the Tokay and Bordeaux variety. The company will pay 8% of the product of the

mines

mines to the Abyssinian Government.

Beer. Messrs. Kamensenth Nabholtz and Kling, a German company, obtained a concession six years ago for the brewing of beer at Adis Ababa. The location, however, which was assigned to them by this Government being at some distance from the capital was not considered desirable for the purpose and the plan was abandoned.

Land for cultivation. About seven years ago a company from Lyons, France, obtained a concession consisting of 12.000 acres at La Garba, about 100 miles from Dire-Dawa, for raising cotton, coffee and silkworms. The former has proved to be of excellent quality. This company have recently sold the property to a (Jesuit) missionary society at a profit, it is understood, of 1.000.000 francs.

Farming land. Mr. A.Savoury, representing a French company, obtained, several years ago, a concession at Abouramalka, of 12.000 acres for farming purposes and while he has been able to raise a very good quality of cotton thereon, the change in the plans of the railway will leave his land somewhat isolated. The same has not been cultivated extensively.

Farming land. Dr. Katz has for several years maintained with great difficulty a small tract of 900 acres in the vicinity of Adis Ababa. But owing to the difficulty of bringing a variety of domestic animals from Europe, as agreed in his concession, his efforts could not be said to have been successful as yet.

Farming land. Mr. I.Adolf Mayer has recently obtained a concession

Cotton.

concession on the Hiwash River containing 51.000 acres, principally for the cultivation of cotton. The land is granted for a period of fifty years at an annual rental of 12 cents per acre, is situated on both sides of the Hiwash River and also on the proposed railway line.

Gold mining.

Mr.J.Prosso, an Italian citizen, has an extensive concession for mining gold on the Baro River in Walega. Up to the present time he has succeeded only in washing a small quantity of alluvial gold from the rivers. He will pay 15% of the proceeds of the property to this Government.

Gold mining.

Mr.Ilg, who was for some time Counselor of State for this Government, has a gold concession in the province of Walega, which has never been prospected to any extent.

Ostrich farming.

Messrs Janish and Goetz, two German concessionaires, have an ostrich farm on Lake Zaoui consisting of 1200 acres, granted for a term of 20 years at a yearly rental of £10. The farm has never been operated on a large scale.

Automobile transport.

Some years ago Mr.Arnold Holtz obtained a concession for automobile transport from Dire Dawa to Adis Ababa. Mr.Holtz has apparently been unable to float a company and the project has never been developed.

The conditions of concessions depend greatly upon the province in which they are situated and the purpose for which they are granted. The rental of plantation land is usually about 48 cents per acre for each year, but in some cases is as low

low as 12 cents per acre. In addition to the rental the concessionnaire usually pays a large sum when work is started, as in the concession of G.Zervoudakis & Co. who are to pay £12.000 to this Government.

There has been but a small percentage of the concessions granted by this Government that are considered as property of any great value and the concessionnaire in every case has been compelled to distribute varying amounts of money and presents to the native officials and to wait in the country many months before the same has been granted.

In one instance where two German subjects desiring to purchase a concession for farming and ranching on the Hiwash River, in eastern Abyssinia, had in some way offended an important native chief, who afterwards offered them 300.000 acres of land, which they were assured was of good quality, in the northern part of the country, instead of the 12.000 acres which had been at first requested. After purchasing this extensive tract they found that it was situated in the stone desert of Kassala, and unfit for cultivation of any kind.

American Consulate General,

Adis Ababa, Abyssinia,

May 3,1911.

Eug. P. Lee.

Vice Consul General.

CABLE ADDRESS "ELISEO"

CITY OF MEXICO
MEXICO
APARTADO 1115

NEW YORK CITY
NEW YORK.U.S.A.
29 WALL STREET.

W. A. Ellis

BANKER & BROKER

INDEX BUREAU OCT 31 1911 DEPT. OF STATE

BUREAU OF TRADE RELATIONS
RECEIVED
OCT 31 1911
DEPARTMENT OF STATE.

Berlin, Germany, October 19th, 1911

Answered 11.3.11.—
File.

INDEX BUREAU
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NOV 6 1911

To the Honorable Philander Knox

Secretary of State

State Department

Washington, D. C. U. S. A.

Dear Sir:

No doubt you are acquainted with the fact that I have been long interested in Abyssinia, having brought the Abyssinian question to the attention of the State Department in the early days of President McKinley's administration. Receiving favorable action and encouragement from the then Secretary of State, Honorable Secretary Hay, I followed the matter up until the coming in to the Presidency of the Honorable Theodore Roosevelt, who during his administration negotiated a treaty with His Imperial Majesty the Emperor of Ethiopia. I had the honor of being designated as special bearer of the treaty after it had been ratified by our Senate and the signature of the President had been affixed.

Studying as I have for many years the great advantages that are offered by this far-off empire, I find it is, in a commercial way, absolutely virgin, one of the richest countries under God's blue canopy,- no improvements, and no industries. I also found in my different visits into the country that American cotton goods and many other goods were sold in Abyssinia through Manchester, Egypt and then traded into Abyssinia. For example, a ball of 36 yards of cotton goods that would

CABLE ADDRESS "ELISÉO"

ITY OF MEXICO
MEXICO
APARTADO 1118

NEW YORK CITY
NEW YORK.U.S.A.
29 WALL STREET

W. A. Ellis

BANKER & BROKER

be worth at the factory in the South at about $1.50, would easily sell in the interior of Abyssinia for $12.50 mariatrieses, or Abyssinian money, which would be equivalent to about $6.25, our money. With four profits having been made by brokers on the same piece of cloth, for instance, the broker in New York who bought it from our southern mills; the broker in Manchester, England, who bought it from New York; hence, the profits of the broker in Cairo who bought it from the broker in Manchester, and then the immense profits of the Arab caravan trader. Finally the profits of the little merchant in Abyssinia or Ethiopia from whose hands the poor customer received his little cotton goods.

I am greatly desirous of bringing into closer relationship the Ethiopian Empire and the United States of America for commercial reasons as it will not be long before Abyssinia, in my opinion, will be the centre of European controversy, and with our American people owning rights, and concessions and well established we could easily then always maintain said rights, which would be permanent.

To this end and for this purpose as well as with a view to helping, encouraging and enlightening the Ethiopian, I have come to Europe and while here in Germany have received the encouragement of some of the strongest financial houses in the Empire, and within a few days my German friends, interested, will take it up with the Foreign Department and I feel confident it will receive all the encouragement necessary. Therefore, in order that you may be posted as to my actions in the premises in connection with this far-off country, in which I know, Mr. Secretary, you are interested; I beg to inclose you

CABLE ADDRESS "ELISÉO"

ITY OF MEXICO
MEXICO
APARTADO 1118

NEW YORK CITY
NEW YORK, U.S.A.
WALL STREET.

W. H. Ellis

BANKER & BROKER

P.K. 3
10/19/11

in a most confidential way, and for the purpose of study and your good opinion, a copy of the contract as having been agreed upon by my associates here and myself; and said copy will soon be executed. I would ask you to kindly reply to this letter to my office

29 WALL STREET
NEW YORK CITY, NEW YORK

Tell me first if you approve of the contract and if you think it practical, for should this Company go into actual operation, it would naturally bring the two countries into closer commercial relations, which at present amount to nothing, and as Abyssinia contains from Ten to Fifteen Million people, who manufacture nothing, they would use all of our cotton goods until they begin to manufacture, themselves. They could now use our hats, shoes, fire-arms, canned goods, petroleum, soap, curios, candles and thousands of other things that I could enumerate, and the question that people wishing to invest or to become acquainted with the country would ask is, Would the State Department be interested in my efforts in that direction from purely and simply a commercial standpoint, for with Abyssinia so far off, the question would naturally be asked if the State Department would be interested in the development of that country, for you will note by the contract that I will be obliged to raise one-half of the capital in the United States, and before coming over here I felt out several of our private wealthy people and received beautiful encouragement at their hands, which leads me to believe that I will have no trouble in securing my half of the

CABLE ADDRESS "ELISEO"

CITY OF MEXICO
MEXICO
APARTADO 1118

NEW YORK CITY
NEW YORK. U.S.A.
29 WALL STREET.

W. H. Ellis

BANKER & BROKER

P.K. 4
10/19/11

capital.

With my sincere appreciation and high esteem, I beg, my dear Sir, to remain

Your obedient servant,

W. H. Ellis

No contract entered into

Address
W. H. Ellis
29 Wall Street
New York City
New York

Department of State,

BUREAU OF TRADE RELATIONS.

NOV 4 1911

MEMORANDUM.

November 2 , 191 1.

Dear Mr. Carr:

I beg to call your special attention to these letters from W. H. Ellis, who writes from Berlin under date of October 19, 1911, and gives his address in the United States as 29 Wall Street, New York City.

Unless I am mistaken Mr. Ellis is the same individual who was with the brother of the Honorable F. B. Loomis when he lost his life at sea. Before preparing a reply to the letters I telephoned to the Appointment Bureau with a view to getting some information concerning him which I thought it likely that that Bureau would have. The reply, however, merely confirmed the identity of Mr. Ellis. Under ordinary circumstances I should say that the reply to these letters should go farther than the appended draft. It is for this reason that I call your special attention to the matter.

R

see fit to place ... —

Idlon Berlin W
ter den London 1
am Pariser Platz

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for a bank.
to time that you
ou, my dear Sir,

584.602/2

A true copy of the signed original.

For Mr. Knox:

WILBUR J. CARR.

Director of the Consular Service.

Enclosure as above noted.
R. JBO

BUREAU OF TRADE RELATIONS
RECEIVED
OCT 31 1911
DEPARTMENT OF STATE.

INDEX BUR
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DEPT OF STATE

Hotel Adlon, Berlin CB.
Unter den Linden 1.
am Pariser Platz.

INDEX BUREAU
FILED
NOV 6 1911
811.602/2
811.602/2

Ans. 10.3.11.—

File.

PERSONAL BERLIN, GERMANY, October 19, 1911.

Hon. Philander Knox

c/o State Department

Washington, D. C. U.S.A.

My dear Sir:

I had the privilege of writing you this morning a letter addressed to the State Department. I am simply writing you this letter in a most confidential way to ask you to please be so kind, if you have any news from the Vice-Consul-General at Adis Ababa in reference to Abyssinia, as to let me have it, especially if there is anything in reference to any concessions that have been granted to any foreign company. I learn through my sources that an English syndicate is trying to negotiate a new concession with the Imperial Government for a bank.

Any news or information from time to time that you see fit to place in my hands I assure you, my dear Sir,

A true copy of the signed original
H.G.R.

FOR MR. ROOT:

WILBUR J. CARR.

Director of the Consular Service.

Enclosure as above noted.
R. J.C.C.

will be highly appreciated.

Yours sincerely,



Address
W. H. Ellis
29 Wall Street
New York City

884.602

November 3, 1911.

Mr. W. H. Ellis,

29 Wall Street,

New York City.

Sir:

The Department is in receipt of your two letters of October 19, 1911, relative to Abyssinia, with one of which you state you enclose a copy of a contract agreed upon by yourself and associates. In reply you are informed that the contract to which you refer was not received by the Department. In compliance with the request contained in one of these letters for information in relation to Abyssinia received from the American Vice Consul-General at Adis Ababa, the Department encloses herewith a copy of the DAILY CONSULAR AND TRADE REPORTS of July 6, 1911, containing a report on Abyssinian concessions.

I am, Sir,

Your obedient servant,

For Mr. Knox:

WILBUR J. CARR.

Director of the Consular Service.

Enclosure as above noted.

R. JGO

A true copy of the signed original.

884.602/2



GRAND HÔTEL - PARIS

TÉLÉPHONES
235-48 _ 235-49 _ 235-51

12, Boulevard des Capucines

Paris, le October 31st, 1911

SOLICITOR'S OFFICE
NOV 10 1911
DEPARTMENT OF STATE.

BUREAU DES PASSEPORTS
NOV 9 1911
STATE

INDEX BUREAU
884.6091/3

Sec. ans. Nov. 28, 1911.

File cm.

To the Honorable

Philander Knox

Secretary of State

State Dept., Washington, D. C.

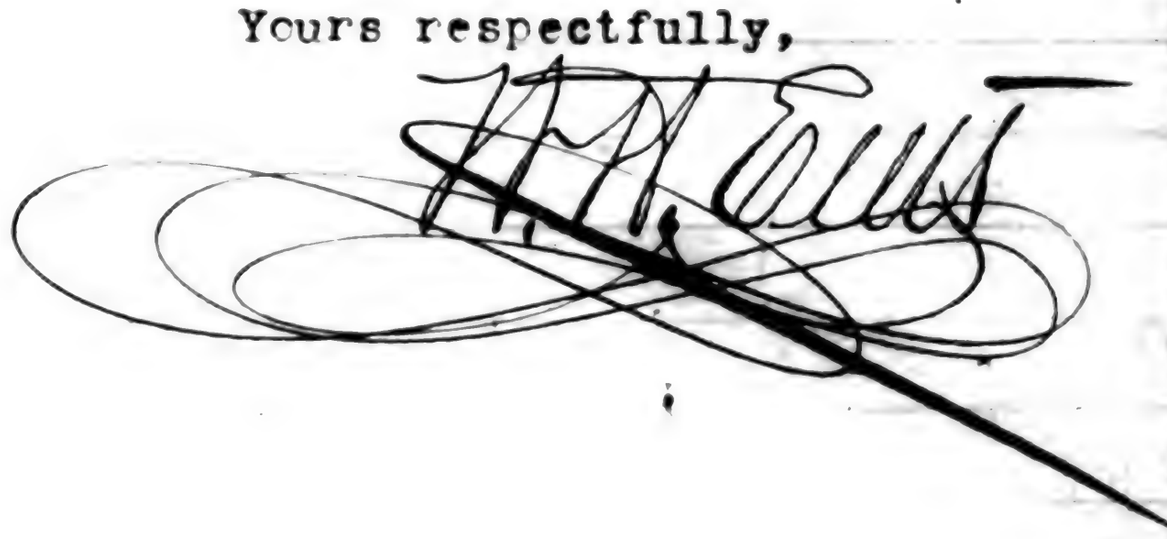
Re: ABYSSINIA or ETHIOPIA

FILED
DEC 1 1911

Dear Sir:

We beg to address you this letter to inclose the copy of the contract in regard to Abyssinia, that we neglected to send you under same cover with the letter written you of recent date. Please pardon the delay.

Yours respectfully,



La correspondance doit être adressée au Directeur

Copy for the Honorable
Philander Knox

MEMORANDUM OF AGREEMENT

made and entered into this the twenty-fifth (25th) day of October, in the year of our Lord, One thousand Nine Hundred and Eleven, by and between

MR. KOMMERZIENRATH BOSCH,

a German Subject, with residence at Kaiserdamm 89, Charlottenburg, Berlin, Germany, sixty years of age, who is a capitalist, having retired several years ago from active business, concluding to give the rest of this life towards advancing and promoting the best interests of his FATHERLAND and to do all the good that he could in establishing friendly relations between the FATHERLAND and other States or empires, as well as advancing modern civilization, christianity and the cause of humanity. To that extent and with this end in view he had the honor of being one of the IMPERIAL COMMISSION that was sent out by HIS IMPERIAL MAJESTY WILLIAM II, THE KAISER OF GERMANY, to pay a visit to HIS MAJESTY MENELIK II, EMPEROR OF ETHIOPIA, or ABYSSINIA, said Commission being headed by HONORABLE DOCTOR ROSEN, at present German Ambassador to Roumania.

On his visit to that distant country, (Abyssinia), he there studied the great natural resources of the country and the many advantages that would accrue to both Germany and to Ethiopia, should the diplomatic connections that have been made between the GERMAN EMPIRE and ETHIOPIA be closely followed up by those of commerce through enterprises that could be easily developed with a reasonable amount of profit to German capital. The country itself, (a virgin), offers many natural resources for any and all agricultural pursuits and commercial industries that capital itself could or would establish.

Having studied this question very seriously and his appointment to the Commission having been for that purpose, HE HAS RESOLVED AND DOES HEREBY ENTER INTO THIS CONTRACT, as one of the contracting parties hereto for the above and hereinafter expressed purposes :

A N D

THE HONORABLE BARON HARTMANN VON RICHTHOVEN

a German subject, thirty-four years of age; with residence at Hoelderlingstrasse 10, Charlottenburg-Berlin, Germany, a gentleman who by the ties of his ancestry having NATURALLY a great and profound interest in the commercial development of the FATHERLAND and its foreign politics, whose excellent father, HIS EXCELLENCY OSWALD VON RICHTHOFEN held the very important position as SECRETARY OF STATE IN THE CABINET OF HIS HIGHNESS PRINCE BÜLOW.

After the recent death of his father the Baron tried to follow in his FOOTSTEPS AND GIVE HIS BEST AID, ASSISTANCE, and good will towards the advancement of the industries of country in foreign countries and the cultivating of friendly relations between foreign states and empires, in order that the FATHERLAND may ALWAYS live in PEACE with ALL THE WORLD. The Baron's ability in this direction having been recognized, he was appointed and recently held the important post as CHARGE d'AFFAIRES OF THE GERMAN EMPIRE TO THE REPUBLIC OF MEXICO, and while at that post became acquainted with ONE OF THE CONTRACTING PARTIES to this contract, and as a result of many conversations with him, which proved of mutual interest, and after taking the matter up very seriously with IMPORTANT MEN of the GERMAN EMPIRE, the Baron did solicit the visit to Berlin of ONE of the contracting parties HERETO and presented him to HERR KOMMERZIENRATH BOSCH the first of the contracting parties hereto, and after long and serious conversations, theories were advanced for the best interests of all concerned, and for that purpose the two contracting parties associated and above mentioned shall be hereinafter in this contract known as as the parties of the first part.

-A N D

MR. WILLIAM H. ELLIS (Guillermo Enrique Eliseo)

an American citizen, by occupation a Banker and Broker, having been engaged in the BANKING and PROMOTION business in the City of New York, United States of America, for the last Twenty (20) years, whose place

of business is the Morgan-Drexel Building, 23 Wall Street. New York. City, New York. U.S.A. Mr Ellis having been a successful, self-made business man, having previously successfully promoted and carried to perfection several large business ventures, and likewise being connected by ties of blood with the Hamite races; having also the INTERESTS OF ETHIOPIA and its PEOPLE at HEART, and being anxious to bring into CLOSER CONNECTIONS for COMMERCIAL PURPOSES the AMERICAN and ETHIOPIAN GOVERNMENTS, to this end he made several visits to the different States of Africa. On one of them he paid a SPECIAL visit, at the request of HIS MAJESTY MENELIK II to the EMPIRE OF ETHIOPIA; also having previously made the acquaintance of HIS HIGHNESS THE LATE RAS MACONNAN and visited the RAS during his visit to ENGLAND at the Coronation of HIS MAJESTY THE LATE KING EDWARD VII.

Mr. Ellis's business acquaintance, experience and profound interest in Ethiopia and his love for the Ethiopian or Abyssinian races, became more serious and more devoted towards the cause of developing the great resources of that country. On his return to America he immediately interested the GOVERNMENT of THE UNITED STATES in the cause and was about the first one to bring it before the STATE DEPARTMENT suggesting the idea of making DIPLOMATIC COMMERCIAL CONNECTIONS between the ETHIOPIAN KINGDOM and the REPUBLIC of THE UNITED STATES OF AMERICA.

Mr. Ellis did find that millions of dollars of American cotton goods had been sold into EUROPE and re-sold into Abyssinia or Ethiopia at five to seven times their value in America. TABULATING these statements he placed them, first, before the American Government during the time of the ADMINISTRATION of the LATE PRESIDENT McKINLEY, which was closely followed up after the coming into office of PRESIDENT of the of the UNITED STATES OF AMERICA that distinguished GENTLEMAN and STATESMAN and SOLDIER, THE HONORABLE THEODORE ROOSEVELT, who vigourously took the matter up and ORDERED that COMMERCIAL RELATIONS be ESTABLISHED A Commission was appointed by the UNITED STATES GOVERNMENT, which vi-

sited Abyssinia and neglected the treaty. After the treaty between the UNITED STATES and ETHIOPIA had been negotiated and its ratification confirmed by the SENATE of the UNITED STATES and the signature of the then PRESIDENT thereto affixed, Mr. Ellis was appointed special commissioner by HIS EXCELLENCY THE PRESIDENT OF THE UNITED STATES to safely deliver the treaty to the Ethiopian Government. Mr. Ellis in this capacity delivered said treaty, securing a receipt from HIS MAJESTY MENELIK II and in due course said receipt was returned to the American Government.

During Mr. Elli's visits he was personally and intimately received by HIS MAJESTY THE EMPEROR, made the acquaintance of nearly all of the IMPORTANT RASES (OR PRINCES) that governed the EMPIRE as well as the RULING OFFICIALS both of the STATE and CHURCH, having studied the country very seriously from a point of love and interest, and he became desiruous that Abyssinia should extend its diplomatic relations to all the civilized Powers and should begin to increase and develop its natural commercial resources and enter the GREAT MARCH of modern CIVILIZATION in the industrial and commercial PURSUITS.

Seeing the natural resources of Abyssinia far excelling, in his opinion, those of any other country in Africa, having had the goodwill and confidence of the entire people, he came to the conclusion that he would devote the best part of his natural life towards helping to bring the people up to the STANDARD OF MODERN CIVILIZATION in a commercial way and to give his aid towards the development of the great mineral, agricultural as well as industrial & natural resources that the country affords, and to help to put the country in a healthy, strong and financial condition in order that it may be able to LIVE AT PEACE with the world and keep pace with all of the other civilized powers in the advancement of its commercial and industrial resources. With that purpose in view Mr. Ellis does hereby enter into this agreement and will be hereinafter known as the party of the second part

THE OBJECT OF THIS CONTRACT IS

TO ESTABLISH, CULTIVATE AND IMPROVE COMMERCIAL AND GENERAL RELATIONS BETWEEN THE GERMAN EMPIRE, THE UNITED STATES OF AMERICA AND THE ETHIOPIAN EMPIRE

and to secure from the IMPERIAL GOVERNMENT OF ABYSSINIA as well as from the different GOVERNORS, KINGS or BASES of the different PROVINCES MINERAL CONCESSIONS, LANDED RIGHTS, GRAZING RIGHTS, TRADE CONCESSIONS, and any and all contracts or concessions that are possible, including RAILROAD, WATER, ELECTRIC, TELEGRAPHIC AND OTHER SPECIAL PRIVILEGES.

BASED ON THE WORTH AND VALUE OF THESE CONCESSIONS, TO OPERATE, THE COMPANY AS WELL AS CULTIVATE MORE FAVORABLE RATES IN RESPECT TO IMPORT AND EXPORT TARIFFS BETWEEN THE THREE COUNTRIES; TO ENCOURAGE AND AID AS FAR AS POSSIBLE THE FUTURE ADVANCEMENT AND ENLIGHTENMENT OF THE ETHIOPIAN. And

W h e r e a s it is a fact that both the EMPIRE OF GERMANY and the REPUBLIC OF THE UNITED STATES, from a political standpoint, are only interested in the development of the great resources of Africa and in assisting the smaller states in developing their natural resources, that would add a great deal towards increasing the volume of commercial values in the world at large, in the different States in Africa and particularly Germany and America, and

W h e r e a s the GERMAN EMPIRE is DESIROUS of EXTENDING its trade into Ethioppa and of encouraging also trade from that Empire, being thus interested in both imports and exports; and Germany being a manufacturing country, manufacturing hardwares and all other goods of that nature as well as machinery, etc.n that would be needed for the development of the Ethiopian Empire as well as the German Empire is in need of a great amount of raw material that could be easily raised or produced in Ethiopia and EXPORTED TO GERMANY and there converted into finished and manufactured stuffs, the revenue from which would prove OF GREAT PROFIT to GERMAN CAPITALat the same time giving good revenues and greatly improving the Empire of Ethiopia and its people. It is a fact also that Abyssinia is one of the African states

nearest to Europe, and its people are THE MOST INTELLIGENT of all the NATIVES of the ENTIRE CONTINENT OF AFRICA and would be at par with those of EGYPT and MOROCCO, and as this kingdom is one of the, if not, the oldest on EARTH, and

W h e r e a s the American Government is INTERESTED in ETHIOPIA ONLY FROM A PURE and simple COMMERCIAL MOTIVE, outside of the encouragement and development of this christian country or nation. The UNITED STATES being an INDUSTRIAL as well as a MANUFACTURING COUNTRY, manufacturing certain articles, and an importing of certain articles only, that could successfully be exported or imported to and from Ethiopia. The distance being so far from Ethiopia to the United States, and the United States' exports and imports being in many ways different from those of the GERMAN EMPIRE, the two interests could not conflict. THUS THE CONTRACTING PARTIES AGREE:

Wh e r e a s the EMPIRE OF ABYSSINIA situated in the North by Eastern part of Africa comes within both the torrid and tropical zones. It is very rich and has great chains of mountain rolling down almost to sea level. It is crossed by several great and very important rivers, also has in the northern portion of it a great natural SUBMARINE LAKE that acts as ONE OF THE GREATEST FEEDERS towards the BLUE NILE and is so IMPORTANT to Egypt that HER MAJESTY the late QUEEN VICTORIA'S GOVERNMENT saw fit, so we are informed, to negotiate a treaty with HIS MAJESTY KING THEODORE in reference to the waters of this lake, as some of the greatest scientists thought that this lake was was one of the main and most important tributaries to the Nile. And

Wh e r e a s

MINERALS

of which the country has a great deal, yet undeveloped. It is well known that the country had GOLD, SILVER, COPPER, IRON, ZINC, MICA, GRANITE, SULPHUR, LIME, COAL, MARBLE, ONIX, LEAD, SILICUM, and a great many other minerals and mineral formations, that so far, undiscovered. Then There are NUMEROUS and convincing SIGNS of PETROLEUM in three different

parts of the Empire, that one of the contracting parties has investigated to his satisfaction, although no definite exploration in this line has been made.

WOODS

In the more northern part and in the Highlands of the Empire you will find many of the FINEST varieties of WOODS that grew in these zones probably such as WALNUT, MAHOGANY, OAK and a great many other of the FINEST VARIETIES OF DYE-WOODS. Hemlock has been reported to have been found in the more western part of the Empire.

LABOR.

in Abyssinia is SIMPLY a QUESTION of ARRANGEMENTS. -NO STRIKE. The Abyssinian proper, or Ethiopian, does very little work. They are considered as the ruling race or tribe. The work is largely done by the negroes, some of the GALLIAS, BEDUKES and other MAHOMEDAN TRIBES The Abyssinian or inhabitants of the Empire, is EASILY TAUGHT to work and he is perfectly SATISFIED if he is well FED AND CLOTHED. The idea of the promoters of this would be to begin by first TEACHING them to WORK, then the WANTS OF LIFE, and once the taste of want is cultivated, then NECESSITY and everything else would follow to make this labor industrious. And for this purpose our IDEA is to IMPORT SEVERAL HUNDERED AFRICAN AMERICANS from the UNITED STATES OF AMERICA into Abyssinia. We would pick these people out, as they would be foremen or act AS TEACHERS for a certain amount of the Abyssinian laborer that would be assigned to each one and would only teach them certain specific pursuits that would be allotted to them. FOR EXAMPLE, we would bring ONE MAN who would TEACH them to raise COTTON, another one, WHEAT, etc.,. The Abyssinian as a laborer is very studious, very faithful; with a little care the enterprise never would be bothered with the want of abundant labor at prices to suit ourselves.

MARKETS

For the entire amount of products that would be raised by the corporation to be formed, as also their entire output of goods that they would deem necessary to manufacture in the country, would find

a ready market, first, the exclusive market of Ethiopia or Abyssinia that has TEN TO TWELVE MILLION PEOPLE WITHOUT ONE INDUSTRY OF MANUFUKE ESTABLISHED IN THE COUNTRY AT THIS WRITING.

Next we would have the adjoining tribes or sea-coast countries. Then we could safely depend on the entire Egyptian trade that did not come in competition with ourselves. We would be the nearest to Europe of all Africa except Egypt proper and the few northern states. We would be much NEARER than any of the African States to the ENTIRE ORIENTAL TRADE, as there is a railroad now known as the ETHIOPIAN IMPERIAL RAILROAD running from Djibouti (a French protectorate), to Mira Dowas, the first important town in Abyssinia. Thus by the continuing of the railroad on to the capital of Abyssinia, or to where we put our works, we could get by rail to sea level and we would be the NEAREST TO ALL EUROPE and the ENTIRE ORIENTAL TRADE of INDIA, CHINA, and JAPAN. Thus you can easily see that our markets for entire products would be worldwide.

S O I L

is very rich and in the more northern part of the empire the soil is in a brwon clayish, running from that to a brown, rich and pulverized, while in the lowlands they run to a dark black and from that to a light brown and to a heavy clay, and in the more desert part of the Empire it runs from light sand to that of heavy gravelish sand. The soil is extremely rich as it has been virgin in agricultural way since history makes it known to us; the NATURAL crops of the different grass, weeds, etc, that have from year to year grown, simply to fall and die, has greatly enriched the soil. The soild would not need any fertilizer for years and years to come.

THUS GREAT PROFITS WOULD ACCRUE TO THIS ENTERPRISE FROM AN AGRICULTURAL AND COMMERCIAL STANDPOINT.

C O R N

can be easily grown in any part of the Empire. TWO to THREE CROPS of Indian CORN can be grown in the lowlands of the Empire each year,

while one long crop could be easily grown, or two short crops in the more northern regions. The ground is so rich that in the promoter's opinion many of the acres would produce FORTY TO FIFTY BUSHELS OF CORN PER ACRE.

MARKET.- The market for this corn would be found naturally in many different ways. First, it could be used for bread-stuffs. There are a great many of the poor people, especially the Galla tribes, that use a kind of 'mace', or a kind of corn-bread, as a 'tortilla' for their meals. This can be made from their corn or wheat, but the southern tribes not knowing wheat or barley use the corn. A ready market for this corn, and every bushel of it, could be found either for sale there in Abyssinia proper or for exporting, or could be used in the fattening of cattle, hogs, sheep, poultry, etc., for exporting purposes. From corn we could also make starch; and many beverages are made from corn and corn stuffs. Thus, either raw or manufactured a READY MARKET would be FOUND both at HOME and ABROAD for ALL of the corn or CORN STUFFS raised, at an ENORMOUS PROFIT.

W H E A T.

or BARLEY is successfully grown in all of the Northern provinces, and MALT could be easily cultivated. This is very valuable. The real heavy three-grained wheat could be easily grown in any of the northern provinces, for THIS WHEAT, if we so desire, we could CONSTRUCT FLOUR MILLS, transform the wheat into flour and we could READILY DISPOSE of every pound of it.

MARKET.- For this WHEAT would be ABYSSINIA, EGYPT and ALL EUROPE, as well as ALL THE ORIENT. Thus, it is easily seen what a great industry this business would amount to. In Abyssinia this wheat would have a ready market with all the southern tribes, and could be easily sold in all Egypt, as very little is raised in southern Egypt or in Arabia and we would be very near the important sea-port of Djibouti, which is opposite Aden and is one of the gates to all the Oriental trade.

C O F F E E

Coffee is very valuable and it must be understood that the Abyssinian coffee is what we might say the original coffees of all coffees. Coffee grows wild in SOUTHERN NORTHERN and WESTERN ABYSSINIA and has been growing there since the earliest history. Long before the settling of Egypt there was coffee exported from NORTHERN ETHIOPIA and during the EARLY DAYS OF JERUSALEM the coffee was IMPORTED from ETHIOPIA and was replanted GRADUALLY until it REACHED ARABIA. Even at this writing large amounts of Abyssinian coffee are brought down on camels' backs to the frontier and shipped to Djibouti, hence to Aden and Europe, and is sold as Java and Mocha coffee, and is considered the best coffee in the world, gives a great flavor and is very strong. This coffee could be cultivated to any amount as it grows wild and could be made a speciality in trade, of itself.

MARKET.- We need not comment as it would have the world for its market. the simple question would be transportation.

SUGAR CANE AND BEETS' SUGAR

Both the cane and the beet could be cultivated and the ground is very inviting in different sections of the country for both of these great industries, and they could be cultivated and harnessed along with other agricultural products that the Company would be engaged in exploiting. Factories could be established or the raw material could be exported at an extremely reasonable rate to all parts of Europe.

MARKET. EUROPE, ASIA AND EGYPT.

VEGETABLES.

could not only be cultivated in the northern but in most any part of the Empire, and SUCH FRUITS and VEGETABLES would be PLANTED HOUSE for our OWN CONSUMPTION AND that of the employees on our places, and could also be USED FOR FATTENING CATTLE and EXPORT PURPOSES that we would FIND NECESSARY.

FRUITS.

that can be grown in both the temperate and torrid zones, could easily be grown and cultivated in Abyssinia, and in the southern part of th

Provinces of Harrar groups of large magnitude can be easily cultivated and grown, as well as all the tropical fruits that are found in the rich tropics of any part of the world.

MARKET.- The most profitable would be turning the fruits into preserves, jams, etc., and for which we would find an easy market. The grapes, etc., could be made easily into wine and needless to say the Abyssinian character might learn to drink wine, as well as beer made from the malt, as one of the principal beverages now in the country is a drink known as 'Titch'. It is intexicating, but of a moderate nature, and as civilization in Abyssinia advances the taste for beverages might be cultivated, if so desired. But it would not be the intention of this country or of any of its promoters to at this writing engage in such traffic, as our intention is the highest and our motives are the purest.

FLOWERS

Most beautiful wild flowers are found all over the Empire, even the desert itself produces a desert flower, and in many of the highlands you can find a kind of White Carnation of the purest and prettiest colors. But the fragrance of the flowers is not as great, that is of the flowers grown nearer the sea, but their colors are magnificent It seems that Nature in making THIS PART OF THE COUNTRY DID NOT NEGLECT ANYTHING BUT GAVE TO THIS ANCIENT ETHIOPIA A PARADISE WHITHIN ITSELF. They have kept their independence through all of these ages, have preserved their religious rites, have kept their RACE VERY NEAR PURE and it is mixed very little with any of the negro races.

COTTON AND COTTON INDUSTRIES

This industry is one of the most important of all, not only to Ethiopia, Africa but to Europe, Asia and the entire world at large. THE UNITED STATES OF AMERICA has PREDOMINATED COTTON for the last TWO (2) CENTURIES, and they have been largely able to do this on account of two things:

FIRST.- ON ACCOUNT OF THE LARGE TERRITORIAL EXTENSION OF THE COUNTRY.

SECOND.- ON ACCOUNT OF THE LARGE AMOUNT OF AFRICAN AMERICAN LABOR, that they have had through their importation of African negroes and through other different tribes of Africans that were classed as negroes and IMPORTED as SLAVES INTO THAT COUNTRY. This African became easily adapted to the hot climate of the southern part of the United States, and there began the cultivation of cotton. It has become one of the greatest industries in the United States and has brought more revenue to the people engaged in it and to the country at large than any other single industry. It also has been able to keep in the United States and to bring, behind each crop, back to the country a great amount of its cash money, for after the sale of each cotton crop millions of dollars pour into the country as the proceeds of the sale of this crop from all over the world. Thus, it has BENEFITED THE PEOPLE ENGAGED in the pursuit, COMMERCE in general as well as ENRICHING THE GOVERNMENT, and has done a great deal of good towards clothing the people of the COUNTRY and the WORLD.

ABYSSINIA is as well adapted for the growth of cotton as any part of the United States. One of the promoters of this enterprise is well acquainted with the cultivation of cotton, as he, Mr. Ellis, was the FIRST MAN to ENCOURAGE and PROMOTE THE ENTERPRISE in the REPUBLIC OF MEXICO. Having secured a concession in about the year 1889 from the MEXICAN GOVERNMENT giving him the right to import 2,000 negroes from the United States into Mexico, HE did import about 1,000 the same year. At the time Mexico bought almost its entire cotton and did not export one pound. The result is that last year (1910) Mexico exported to Europe its first cotton and now has several large cotton mills in operation, and we would easily say that the LONG, LIN SIX-SEED SEA-ISLAND COTTON can be easily raised in Abyssinia and as successfully, if not more successfully than in many parts of the United States. There are many localities found in the lowlands of Abyssinia that would yield from a bale to a bale and a half of cotton to the acre, and LABOR would be about ONE-TENTH OF WHAT IT WOULD COST IN THE UNITED STATES. Thus the GREAT and ENORMOUS AMOUNT OF PROFITS is figured AT SIGHT.

MARKET.- MARKETS could be EASILY had for EVERY POUND of COTTON raised EITHER RAW or MANUFACTURED, in EUROPE, EGYPT and ABYSSINIA itself, for at present Abyssinia imports all of the cotton goods that are used and principally from the United States. The COMPANY to be organized could either USE the RAW MATERIAL or COULD MANUFACTURE it IN ABYSSINIA. We will not dwell on the market or the profits, as it is known to every reader.

CATTLE INDUSTRY AND THE BREEDING OF HORSES, MULES, SHEEP, GOATS, HOGS and CAMELS

The BEEF QUESTION is very serious for the ENTIRE WORLD, especially on a large scale. The UNITED STATES largely PREDOMINATED the CATTLE INDUSTRY of the world, and a great many very immense fortunes of millions of dollars have been made in the last twenty years by PRIVATE INDIVIDUALS through THIS INDUSTRY. It has grown to be a great MONOPOLY in the UNITED STATES, simply because the country was very large, lands were cheap on which large herds of cattle grew up wild without any care, trouble, or any EXPENSE, to the OWNER; so the cattle when they became of age, was simply HERDED IN AND SOLD.

This industry on such a large scale is fast leaving the country. EUROPEAN IMMIGRATION has entered the United States so rapidly and LAND has ADVANCED so proportionately until all of the large cattle ranges have been cut up into small farms, and as it takes from three to five acres to an average cow, the taxes on these lands being imposed by the different States in the United States are so high until the industry has dwindled down from five states to about four: SOUTHWEST TEXAS, MONTANA, NEW MEXICO and ARIZONA and the industry on a large scale is doomed for all time to come, so far as the United States is concerned, and the large factories are looking to Argentina South and Central America for the great ranges on which this industry can be cultivated. It is a well known fact that the shores of the United States are several thousands of miles away from Europe and where these cattle are grown it is one or two thousand miles further.

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the only field left for this business on a large scale is South and Central America, which is STILL FURTHER, and the business would have to be pioneered in a country where the natives knew the value of the land, the acreage, etc.,

BUT as to ABYSSINIA we would have extremely FINE FIELD offering advantages over all the world. It is the nearest of all countries to Europe. It is a known fact that very little land in Egypt or Arabia could be transformed into a cattle range country, for it is not adapted to it, neither is Morocco, Tripoli, Tunis or Algeria which is still worse, as these countries are principally sandy, with the exception of Morocco, and they offer no ground for cattle herds, as the natives are of an Arabic character, and it would be dangerous to grow cattle in these countries, for they would be stolen from the ranges and driven off, and the countries are so GEOGRAPHICALLY SITUATED IN EACH CASE, WITH AN OPEN DOOR to A BLIND DESERT, that the owners could not protect their interests.- AND ABYSSINIA being Locked in, BOUNDED on the north by hills and mountains AND WITH mountain streams and the valleys by plains of rolling grass and rivers. On these plains small types of Bermuda grasses are found in abundance, while at the foot of the great ranges of mountains and at the edge or skirts of the timbered lands, there are found Buffalo and other heavy-bodied grass. While this smaller grass could be used in the Spring and Summer, the heavier grasses could be used in the Winter. Thus the CATTLE WOULD NEED NO CARE the ENTIRE YEAR round, but WOULD GROW THEMSELVES. The COMPANY would SIMPLY HAVE TO BUY THE STOCK CATTLE (females), together with the males, and TURN THEM LOOSE ON THE RANGE AND NATURE WOULD DO THE BEST.

THE OXEN, HORSES and MULES COULD BE GROWN IN SUFFICIENT NUMBERS for all the REQUIREMENTS of our AGRICULTURE and other TRANSPORTING PURSUITS, and the SURPLUS could be MARKETED in ALL EUROPE. The same processes would be followed in the case of the sheep, the goats and the hogs. Slaughter-houses could be easily established or the cattle could be exported alive. There is NO DOUBT that there will be GREAT

PROFITS IN THIS BUSINESS as MILLIONS UPON MILLIONS of ACRES OF GRASS COULD BE GOT SIMPLY UNDER A CONCESSION WITHOUT COSTING US ONE CENT. The profits accruing to this Company need not be calculated, for they are already seen.

EXPORTS FROM ABYSSINIA

At present the exports from Abyssinia are principally coffee, skins, ivory, civet and other products of this nature, while the imports are almost everything that are used.

POSSIBILITIES AND ADVANTAGES

Need not be commented on, for the reader will have seen them as the paper has been read.

BUILDING MATERIAL.

of all kinds and description can be found in Abyssinia. WOOD, STONES etc., and the soil are well adapted for the construction of 'adobe' or mud houses for the laborers, as their custom of living in these houses is well known, and they can be built very cheaply.

THE POLITICAL SITUATION

As Germany and the United States of America are only interested in Abyssinia from a commercial standpoint, adns as there are good relations existing between the three countries, and Germany and the United States being interested in different commercial pursuits that do not conflict, it would, as the promoters of this enterprise think, be advisable that these two countries be to such an extent interested that they would subscribe equally to the financing of this, which will be hereinafter more fully explained.

F I N A N C I A L P L A N S.

A COMPANY shal be ORGANIZED under the laws of either GERMANY or the UNITED STATES OF AMERICA, and shall be known as the

INTERNATIONAL ETHIOPIAN EXPLOITATION COMPANY

consisting of eleven (11) directors, of which FIVE (5) ought to be GERMAN SUBJECTS, and FIVE (5) ought to be AMERICAN CITIZENS and ONE or more can be ABYSSINIAN

THE OBJECT of this COMPANY, as above stated, will be to EXPLORE the ENTIRE OF ABYSSINIA and ASCERTAIN the FULL STRENGTH of its RESOURCES, etc., and, IF NECESSARY, to ACTUALLY OPERATE and carry on a COMMERCIAL BUSINESS, ESTABLISH NEW COMMERCIAL INDUSTRIES, MAINTAIN THEM and DEAL in a GENERAL BUSINESS; should it be so DESIRED.

FOR THAT PURPOSE, THE PARTIES OF THE FIRST AND SECOND PARTS DO HEREBY AGREE to associate, under terms and conditions hereinafter more explained, themselves together in the creation, organization and operation of the above named Company, and for that purpose and ONE DOLLAR ($1.00) as consideration, in hand to each other paid, a receipt of which is hereby acknowledged, THEY DO ASSOCIATE THEMSELVES TOGETHER UNDER THESE TERMS AND CONSITIONS

AS FOLLOWS:

FIRST.- The parties of the first part in conjunction with the party of the second part DO HEREBY AGREE to use their influence and best endeavors, and without any obligations to each other outside of those specified in this contract, to organize a Company known as the

INTERNATIONAL ETHIOPIAN EXPLOITATION COMPANY

with a C A P I T A L of not less than

TWO MILLION DOLLARS ($2,000,000,00) or EIGHT MILLION MARKS

(M.8,000,000)

and not more than

TEN MILLION DOLLARS ($10,000,000,00) American Money or

FORTY MILLION MARKS (M.40,000,000)

divided into shares of denomination to suit the contracting parties. The CAPITAL, before the commencement of business of the COMPANY, is to be completely subscribed and underwritten by people of good financial standing, that will be passed on by the said parties of the first and second parts. Their principal need not be paid in until TWO (2) YEARS or FOUR (4) YEARS after the organization of the Company, in the opinion of the Directors, but on signing the underwriting the SIGNER or UNDERWRITER is EXPECTED TO PAY ONLY the INTEREST at the

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RATE of FIVE PERCENT(5%) FOR THE FIRST YEAR UPON HIS SUBSCRIPTION. ans the SAME the SECOND YEAR. SAID INTERRST is to be USED ONLY in the EXPLORATION and INVESTIGATION of the DIFFERENT ENTERPRISES as CITED in the preamble of this CONTRACT, and if on receiving the report at the EXPIRATION of the TWO YEARS, the Company finds that the BUSINESS IS SERIOUS and of the nature as described in this contract them and in that case IN THE THIRD OR FOURTH YEAR the entire amount of capital, or as much as is needed, in the opinion of the Board of Directors, to put the business in actual operation shall be then paid in cash into the treasury of the Company. But at the expiration of said two (2) YEARS or four (4) years, if in the opinion of the majority of the Board of Directors at that particular time, the business is not practical then this company CAN BE LIQUIDATED WITHOUT any RESPONSIBILITY to any of the CONTRACTING PARTIES, UNDERWRITERS, ETC., except he will have forfeited and lost only the interest or amount already paid in, and the Company will be liquidated without any responsibility or RECOURSE ONE TO ANOTHER.

SECOND.- The Company shall for the present be organized under the laws of the EMPIRE OF GERMANY or of the UNITED STATES OF AMERICA, with a CAPITAL of TWO MILLION DOLLARS ($2,000,000,00) or approximately EIGHT MILLION MARKS (M 8,000,000) divided into TWENTY THOUSAND (20.000) SHARES, equivalent dollars or marks, at a par value of approximately ONE HUNDRED DOLLARS ($100.00) or sums according to German Law EACH, dollars or equivalent in marks. THESE SHARES SHALL BE PREFERRED AND SHALL BE SOLD AT PAR FOR CASH, AND THE CASH PUT IN THE TERASURY OF THE COMPANY TO BE USED AS ABOVE DESCRIBED. The Company shall also have the right and shall issue against the above Twenty Thousand Shares therein subscribed and paid for TWENTY THOUSAND (20,000) ADDITIONAL SHARES, which shall be common stock and shall have the same right in equity as the preferred stock except these that are prescribed in this article. The common stock shall go to the promoters of this enterprise and shall be divided, one half-(1/2) to the parties of the first part, and one

half (1/2) to the party of the second part. THE PREFERRED STOCK will only be preferred as to interest. In case of liquidation the common and preferred stock will participate equally. All stocks shall be non-cumulative. The preferred sstock shall bear six percent (6%) interest and it shall be paid out of the first earnings. After the six percent (6%) is paid, all other profit shall be equally divided between the preferred and common.

THIRD.- The Company shall have an office in Berlin, Germany and in New York City, United States of America, and likewise at some designated place in Abyssinia. The business shall be conducted with the usual number of officers, Board of Directors, etc., but shall also form an Executive Committee, which shall have full charge and supervision of the affairs of the Company. This Executive Committee will not be comprisedof more than THREE (3), and a majority of this Committee will rule. Likewise the charter shall provide that there shall be an office created in the Company known as Director General, who shall have the full supervision of the handling of the Company's properties in Abyssinia, assisted by a Vice-President-General, whose powers shall be limited to what may be designated by the Executive Committee. Also the Director-General shall co,stitute one of the members of the Executive Committee. This office shall be held for the first, second and thord years, until the entire amount of the subscription is fully paid, by the party of the second part, and at the expiration of this time the right to elect the Director General shall be vested in the Board of Directors.

FOURTH.- The parties of the first part do HEREBY AGREE to immediately begin the search for this money in Germany and to also use their best endeavors to interest the German Foreign Office in giving them all the necessary aid and assistance in the promulgation of this Company. The party of the second part does here AGREE to use his best endeavors to begin immediately to secure this capital in the United States and to induce the State Department of the United States to use its good offices to assist in any way possible this Company,

for the success of this enterprise would bring great revenue in the exchange of trade between Germany, Abyssinia and the United States of America.

FIFTH.- IT IS ALSO AGREED.- that if any small companies or corporations, in the future, growing out of this business, be formed the profits would be divided as hereinbefore stated, one-half (1/2) to the parties of the first part, and one-half (1/2) to the party of the second part.

SIXTH.- IT IS ALSO AGREED. that after the Company is organized, the party of the second part will go to Abyssinia and use his good offices, influence, etc., at that end and will also use his good offices, influence, etc, in the United States.

SEVENTH.-IT IS AGREED.- that the contracting parties hereto will confer freely one with the other as to the modeficiations of this contract, which shall be in writing and the changing of the plans from time to time.

EIGHTH.The duration of this contract shall be ONE (1) YEAR from the signing thereof, and if the entire capital is not subscribed in one year or a sufficient amount to warrant the seriousness of this business then this contract shall be declared null and void, without reccurse to either of the contracting parties, and is subject to change and modifications provided they are in writing made and annexed or part of this contract.

IN WITNESS WHEREOF the contracting parties hereto have hereunto setttheir hands and seals in Berlin, Germany, this the twenty-fifth day of October, Nineteen hundred and Eleven

(Signed) O. BOSCH
party of the First Part;

(Signed) Baron H. Richthoven
pparty of the First Part

WITNESSES:

(signed) W.H. ELLIS
Party of the Second part;

SYNDICATE SUBSCRIPTION

for the

FINANCING OF THE INTERNATIONAL ETHIOPIAN EXPLOITATION COMPANY

WE, THE UNDERSIGNED, for ourselves respectively and not for another, DO HEREBY DECLARE that in accordance with the above mentioned contract, together with the possibilities and probabilities of the enterprise, and in accordance with the terms and conditions of the above mentioned contract, WE DO HEREBY RESPECTIVELY SUBSCRIBE for the amount of stock, par value, in dollars or marks, set opposite our respective names, and DO AGREE at the first call from the promoters or organizers, as above stated in the contract, to pay in at their request to the _____BANK, designated by them, FIVE PERCENT (5%), in accordance with the agreement, and WILL AGREE to become part of the above organization for the purposes therein expressed.

RESPECTFULLY,

GERMAN AND AMERICAN SUBSCRIBERS

HERETO

GERMAN SUBSCRIBERS

NAME and RESIDENCE	Marks	equivalent Dollars

File

BUREAU OF TRADE RELATIONS.

MEMORANDUM.

Nov. 28, 191 /

Dear Mr. Fowler:

The draft seems O.K. in every way and I have added my initials as requested. J.B.C.

DEPARTMENT OF STATE.

DIVISION OF NEAR EASTERN AFFAIRS.

884.602

P[illegible] of Interior RELATIONS
RECEIVED
NOV 28 1911
DEPARTMENT OF STATE.

Nov. 28, 1911.

Dear Mr. Osborne:

As the questions in Mr. Ellis's letters of October 19th and November 11th, regarding his contract with certain German subjects for the promotion of business in Abyssinia, were of a legal rather than commercial nature, I referred the letters to [illegible], and this reply to Mr. Ellis has been drafted along the lines of [illegible]'s direction. It is, however, submitted for your approval, as part of the case has already been handled by you and certain features later may also come to your attention.

If approved, will you kindly initial and send it in with today's mail for signature, returning the attached papers to this Division?

Thanks.

C.D.W.

Fil

DEPARTMENT OF STATE.

OFFICE OF THE SOLICITOR.

Nov. 23, 11.

Dear Fowle:

In writing my part of this instruction I found it cloudy ground & the policy side of the case & so have written the entire instruction which I hope you will feel free to change as you see fit.

RDR

Fdk

DEPARTMENT OF STATE

Fil

OFFICE OF THE SOLICITOR

MEMORANDUM

884.602/4. November 24, 1911.

Near Eastern Division:-

Acknowledge this letter, and also the writer's letter of October 31, 1911, transmitting a copy of the contract to which reference is herein made, and say:

It is not the province of this Department to express an opinion regarding the legal effect of such a contract as the one which you appear to have entered into with certain German subjects; nor can the Department give its approval of the contract as an industrial enterprise. However, in so far as your project contemplates the furtherance of commercial relations between this country and Abyssinia, I have to say that the Department is always anxious and willing to lend proper encouragement and aid to its own citizens engaged in the advancement of legitimate trade and commercial relations with foreign countries. Accordingly, the Department will be pleased to consider any matter which

you may call to its attention in connection with the proper extension by American citizens of our commercial relations with Abyssinia.

PDR/JHP.

O.K.

F. V.

So done, Nov. 28, 1911.

File

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

Nov.15,1911.

Mr. Underwood:

This letter about Abyssinia looks as if the subject were one which should be handled in part at least by this Division. Will you therefore please send me the previous papers in order that we may know what has been done so far, and if we find that it does not concern us, we will of course gladly pass it on.

Thanks.

CMF File

☐ 11/10/11



DEPARTMENT OF STATE

Fil

OFFICE OF THE SOLICITOR

884.602/4

MEMORANDUM

(See attached direction.
Nov. 24, 1911.)

Near Eastern Division:- November 23, 1911.

Acknowledge this letter and also the writer's letter of October 31, 1911, transmitting a copy of the contract to which reference is made herein, and say:

The Department has always made it a practice to decline to express its approval of such a matter as the contract which you appear to have entered into with certain German subjects. However, the Department is always anxious and willing to lend proper encouragement and aid to its own citizens engaged in the furtherance of legitimate trade and commercial relations between this country and foreign countries. Accordingly, the Department will be pleased to consider any matter which you may desire to call to its attention in con-

nection with the proper extension by American citizens of our commercial relations with Abyssinia.

PDR /DAD/JHP.

Fib

CABLE ADDRESS "ELISEO"

CITY OF MEXICO
MEXICO
APARTADO 1115

NEW YORK CITY
NEW YORK, U.S.A.
29 WALL STREET.

3 49 Lo

Ansd Nov. 25, 1911.
File Pl

W. H. Ellis

BANKER & BROKER

DEPARTMENT OF STATE,
NOV 15 1911
DIVISION OF
NEAR EASTERN AFFAIRS.

NOV 14 1911
DEPT. OF STATE

INDEX BUREAU
4/209.4884

29 Wall Street, New York City

November 11th, 1911

State Department

Washington, D. C.

For the Hon. Secretary Knox

Re: ABYSSINIA

FILED
DEC 1 1911

Dear Sir:

I beg to acknowledge receipt of your very kind letter of November 5th together with the inclosure of Vice-Consul General Love's report from Adis Ababa, Abyssinia. Many thanks to you for same. Needless to say, Mr. Secretary, I will apreciate any news, information, aid or assistance that your Department will from time to time give me in my negotiations with Abyssinia.

NEEDLESS TO SAY, in my opinion, Abyssinia is the richest and healthiest country in all Africa and now that the Morocco question is settled, it will be the next centre of European controversy, and I think our State Department and Government should encourage American capital in this far-off Empire on some equitable basis by which this capital could get into that country now and, once in, no matter what the future of Abyssinia would be, our interests would be protected. To and for that effect I have had the privilege of sending you the letter from Germany, together with copy of the contract that I have made with capitalists over there for the formation of a Company based on the issue of Forty Million

CITY OF MEXICO
MEXICO
APARTADO 1118

CABLE ADDRESS "ELISEO"

NEW YORK CITY
NEW YORK.U.S.A.
29 WALL STREET.

W. A. Ellis

BANKER & BROKER

P.K. 2
11/11/11

Marks. After you have read this contract, you will please give me your views in a most confidential way.

I beg, my dear Sir, to remain

Your obedient servant,

W A Ellis

Address
29 Wall St.
New York City

November 28, 1911.

Mr. W. H. Ellis,

29 Wall Street,

New York City.

Sir:

I acknowledge the receipt of your letter of the 11th instant, in further reference to commercial matters in Abyssinia. The Department has also received, under cover of your letter dated October 31st, from Paris, a copy of a contract which you state you have entered into for the promotion of certain commercial enterprises in Abyssinia. You request a statement of the Department's views concerning this contract.

In reply you are informed that it is not the province of this Department to express an opinion regarding the legal effect of such a contract as the one which you appear to have entered into with certain German subjects; nor can the Department express an opinion concerning the contract as an industrial enterprise. However, in so far as your project contemplates the furtherance of commercial rela-

tions

711.09/488

relations between this country and Abyssinia, I have to say that the Department is always ready to lend proper encouragement andassistance to American citizens engaged in the advancement of legitimate trade and commercial relations between the United States and foreign countries. Accordingly, the Department will be glad to consider any matter which may be called to its attention in connection with the proper extension by American citizens of our commercial relations with Abyssinia.

I am, Sir,

Your obedient servant,

P. C KNOX

884.602/4

EV 3 F F TR
DDR JBD

Hotel Gillow.
Esquina Isabel la Católica y 5 de Mayo.

México, D. F., December 16, *de 191*1

DEC 29 1911 DEPT. OF STATE

DEPARTMENT OF STATE,
DEC 29 1911
DIVISION OF
NEAR EASTERN AFFAIRS.

INDEX BUREAU
DEC 29 1911
FILED
DEC 29 1911

File CMF

the Honorable
Philander Knox
Secretary of State
Washington, D. C. E.U.A.

My dear Sir:

Acknowledging receipt of your letter of November 28th I take the privilege of thanking you for its contents. On my return from Europe my stay in the United States was so short I did not have an opportunity of seeing you, as on account of the very unsettled conditions in this Republic, where I have a great many interests was called here very hurriedly. I shall avail myself, however, of the privilege and pleasure of a personal interview on my return to the United States, which will be sometime the early part of January. I shall communicate with you from New York and upon some engagement will come to Washington for the interview.

Thanking you for your kind letter and its contents, I am

Sincerely yours,

T. P. Gowen

Address
3 Broad Street
New York City, N.Y.

DOCUMENT FILE

NOTE

SEE 884.00/127 FOR #156

FROM Aden (Davis) DATED Oct. 23, 1923
TO NAME

REGARDING: Notes on Abyssinia received from Mr. Ed. S. Willems of Dodge Brothers. Reports re the granting of various concessions or monopolies along many different lines.

flw

DEPT. OF STATE
NOV 9 1923
884.00/128

Aden, Arabia, October 23, 1923.

SUBJECT: Notes on Abyssinia Received from Mr. Ed. G. Willems of Dodge Brothers.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

SIR:

I have the honor to report that Mr. Ed. G. Willems of the Dodge Brothers Motor Car Company has recently visited this Consulate on his way from Addis Abeba to Port Sudan and Egypt. The information which Mr. Willems was able to give concerning conditions in Abyssinia is considered accurate and of considerable value.

Primarily, it seems that Abyssinia has started upon a course of obtaining income through the granting of concessions or monopolies along many different lines. The following are given as examples.

An alcoholsconcession has been given to a Belgian Company in which are supposed to be several Englishmen. Senator LeJeune, a Belgian Senator, was in Abyssinia during the visit of Mr. Willems, travelling in a special car, and receiving special attention from the British Consul at Harrar, and Mr. Billings, the manager of the Abyssinian Corporation at Djibouti and the unofficial British Consul at that port. This information was obtained from a young Belgian employed by the Comptoir European, who claims to have a brother in one of the Departments at Washington, but in which Department he was not certain.

An

An Armenian Company, headed by an Armenian who is a French subject, has obtained a concession for a strip of land five kilometers on each side of the road from Mojo to Hawash to cut trees, extract coal and other minerals, including oil.

A tobacco concession has been given to an Armenian, a French subject.

The concession for matches has been given to a Greek, who was introduced to Mr. Willems by the Chief of Customs.

Most important of all, it is said that a group, nationality unknown, is manouvering for the concession for cotton piece goods and kerosene oil. This information was received from the Vice President of the new Greek Club at Adis Abeba. The Greeks are at present keeping more or less to themselves, since they fear the French and hate the Italians. To Americans, however, they are quite willing to talk.

Mr. Willems also travelled for three days with Dr. Salicetti, a Corsican, who has been sent from France to open an Institute of Radiology. Material valued at about 60,000 francs is expected to arrive within a short time. The Doctor is to have the title of Doctor to the Empress, and bears on his identification card, the signature of the Minister of Foreign Affairs, Paris. From the start of the conversation with Mr. Willems, he appeared greatly interested in the plans and projects of Dr. Lambie, who is now starting work upon the American Hospital at Adis Abeba, and asked many questions concerning them.

Dr.

Dr. Lambie has been making fine progress in Abyssinia, it appears. The site for the hospital has been selected, and the land given to him free and clear, by Ras Tafari. Work has started upon his own bungalow, which will be the first building to be completed. Dr. Lambie is held in high estimation by the Abyssinians and by Ras Tafari himself, and accorded the same honors and treatment that a Consul would receive. In fact, for Mr. Willems, he gave the same advice and assistance that a Consul would be expected to give.

Slavery exists as formerly. Ras Tafari, although a man of good heart, with a desire to benefit his country, is powerless, owing to opposing factions, the party of the Queen and the priests. Abyssinia's request to be admitted to the League of Nations was probably prompted by the idea of the protection which it would give against her encroaching and jealous neighbors. As a rule the slaves appear to be well treated, and if liberated, as often happens, have no place to go and are quickly recaptured.

The Italian Legation has lately presented a new Fiat car to His Highness the Ras, which makes the fourth car now reposing in the royal garage, the gifts of foreign countries.

On October 16, 1923, a son was born to Ras Tafari. This information came through the British Consul at Harrar, as authentic, and a telegram of congratulations was sent to His Highness by this Consulate.

Mr.

Mr. Willems states further that the customs regulations are at present very annoying, and that under the present conditions the importation of goods to Addis Abeba is difficult and expensive. Although duties are supposed to be collected at Dire Dawa, every province through which the goods must pass, has its own set of unofficial customs collectors, and payments have to be made many times. This was confirmed by Mr. Mueller, a Swiss who has lived in Abyssinia for over twenty years, and by several Greeks.

The need for a representative of the United States, whose rank would place him on equal terms with the representatives of other nations, with full authority to travel wherever necessary in Abyssinia, is very great, says Mr. Willems.

Mr. Willems is leaving October 28, 1925, for Port Sudan, Khartoum, Cairo and Alexandria. He requests that the information which he has given, if important enough to be used at all, be used in a way that will not be prejudicial to the interests of Dr. Lambie, who presented him to His Highness, or to the interests of the business which he represents.

I have the honor to be, Sir,

Your obedient servant,

Raymond Davis

Raymond Davis
American Consul.

File No. 610.

DOCUMENT FILE

NOTE

SEE 884.00/129 FOR despatch #166

FROM Aden (Davis) DATED Nov. 7,1923
TO Name

REGARDING: Concessions in Abyssinia. Information regarding alcohol monopoly; match monopoly; and concession controlling exportation of flax seed.

INDEX BUREAU
884.00

leb

No.166.

Aden, Arabia, November 7, 1923.

SUBJECT: Concessions in Abyssinia.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D. C.

SIR:

I have the honor to refer to this Consulate's despatch No. 156, dated October 23, 1923, which mentioned among other matters, the concessions which have lately been granted by the Abyssinian government, and to make the following corrections and additions, the information for which has been received from a coffee merchant of Djibouti.

The alcohol monopoly mentioned in paragraph three of the October 23rd despatch, is confirmed. It is now stated, however, to be a Belgo-Anglo-French concern, with a capital of ten million francs. The monopoly is good for a period of approximately twenty years, and the company pays to the Abyssinian government the annual sum of 700,000 Maria Theresa dollars. All alcoholic drinks with the exception of the local native drinks, are covered by this monopoly.

The monopoly for matches was given to a company which styles itself the Societe Commerciale et Industrielle d'Abyssinie, in which Ras Tafari himself is a principal stock holder. Czecho-Slovakian matches have been imported which are sold under the name of Scissors, three dozen small boxes

for

for one Maria Theresa dollar. This monopoly is evidently considered of minor importance, however, since the consumption of matches in Abyssinia at present only amounts to about 200 cases a year.

An entirely new concession has been granted to a Syrian which, for a period of two years controls the right to the exportation of flax seed. Preparations are being made for the cultivation of flax, and it is thought that if at the end of the second year, enough work has been done, the Syrian will have no difficulty in obtaining a renewal of his concession for a longer period.

I have the honor to be, Sir,

Your obedient servant,

Raymond Davis

Raymond Davis

American Consul.

File No. 610.

CONSULAR BUREAU
MAY 19 1924
DEPT OF STATE

TELEGRAM RECEIVED

Office of Economic Adviser
MAY 17 1924
DEPARTMENT OF STATE

Index Bureau
RECEIVED
MA 7 1924
Dep't. of State

This cable was received in the Departments Confidential Code

FROM Cairo

Dated May 7, 1924

Rec'd. 11.43am

DEPARTMENT OF STATE
MAY 21 1924
DIVISION OF
NEAR EASTERN AFFAIRS
Division of
Political and Economic Information

Secretary of State,

Washington, D. C.

34, May 7, 4pm.

I am credibly informed that English hope to obtain from Abyssirian Government concession of portion of Northern Abyssinia including Lake Tana and thus control entirely the Nile. Just concluded conference with regent of Abyssinia. His imperial highness expressed great confidence in our government and the hope that an American consul be sent there soon. Full report by mail. Copy to European information center.

WSB HOWELL

MAY 23 1924

May 17, 1924.

No. 196

CONFIDENTIAL

The Honorable

Frank B. Kellogg,

American Ambassador,

London.

S i r:

There is given below, for your information, the substance of a telegram of May 7, 1924 from the Legation at Cairo with reference to Abyssinia.

> I have received from credible sources information to the effect that the English hope to obtain from the Abyssinian Government concessions in the northern portion of Abyssinia. The concession would include Lake Tana and would give to the English complete control of the Nile. I have just had a conference with the Prince Regent who expressed his confidence that the United States would in the near future send a representative to Abyssinia.

In the event that any details of the alleged concession should come to your attention the Department desires you to report thereon.

I am, Sir,

Your obedient servant,

For the Secretary of State:

884.602/8

EE EML/LVB

Alvey A. Gee

May 15, 1924.

DOCUMENT FILE

NOTE

INDEX BUREAU
894.6202/9

SEE 783.84/- FOR despatch #488

FROM Egypt (Howell) DATED May 10,1924
TO NAME

REGARDING: Concession in favor of the English, of portion of Northern Abyssinia, including Lake Tana, which will control the Nile, was not obtained through Prince Taffari Makonen, Regent of Abyssinia, but through an outside reliable source of English persuasion.

I may say with regard to the information conveyed in my telegram above noted, with respect to the concession hoped for and believed to be almost a "foregone conclusion", in favor of the English was not obtained through the Prince in question, but through an outside reliable source of English persuasion.

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 4448

LONDON, June 3, 1924.

Department of State
JUL 8 1924
Division of
Political and Economic Information

Office of Economic Adviser
JUN 30 1924
DEPARTMENT OF STATE

INDEX BUREAU
JUL 8 1924
FILED

June 30, 1924

DEPARTMENT OF STATE
JUL 13 1924
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

884.602/8

With reference to the Department's No. 196, of May 17, 1924, regarding the subject of the British Government obtaining concessions in Abyssinia to include Lake Tana, I have the honor to state that since the receipt of a copy of the telegram from Cairo to which reference is made by the Department, this Embassy has been endeavoring to obtain information

on

on the subject. I know of no way of getting it except through the Foreign Office. If the Department considers it of sufficient importance, I believe the Foreign Office would be inclined to tell me confidentially, but I have not felt authorized to approach them.

When Mr. Dolbeare was in Berlin, he received information from a former German official, and a German scientist who had made extensive explorations in Africa and particularly in Abyssinia. In the course of their statements they observed that the lake in question is a principal source of one branch of the Nile. The waters from the lake are cut off from the Red Sea slope only by a thin ridge, which could easily be broken down. The diverting of these waters would seriously affect the water supply of the Nile and Egypt. Consequently it was stated that a careful watching of this area is carried on by the British Military authorities.

This would be a possible explanation of a desire on the part of the British Government to obtain a concession.

I have the honor to be, Sir,

Your obedient servant,

Jesse B. Kurtz

June 30, 1924

No. 255

The Honorable

Frank B. Kellogg,

American Ambassador,

London.

Sir:

The Department has received your despatch No. 448 of June 5, 1924 in the matter of the reported concession to England in Abyssinia in which you state that you believe the British Foreign Office would give you, confidentially, the information in the matter if the Department considers it of sufficient importance.

The Department does not desire you to make formal inquiry in this matter at present but if any further information bearing upon it should come to your notice it should, of course, be promptly reported to the Department.

I am, Sir,

Your obedient servant,

For the Secretary of State:

J. BUTLER WRIGHT

884.602/10

HS-HML:VT.

Aivey Harvey,
June 24, 1924.

A true copy of the signed original.

884.602/10

NO. 263

AMERICAN CONSULATE,

Aden, Arabia, September 21, 1927.

SUBJECT: Proposal from Mr. Charles F. Rey, British Subject, to Assist American Enterprise in Ethiopia.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to transmit herewith copies of letters recently exchanged with Mr. Charles F. Ray, an Englishman, concerning his proposal to assist future American investors and development promoters in Ethiopia, in combined advisory, liaison and co-working capacities, as nearly as I can gather.

Mr. Rey's proposal was inspired by the same article from the London "TIMES" of May 25, 1927, submitted to the Department under my despatches Nos. 242 and 251 of August 8 and September 1, 1927, respectively, in connection with discussions of slavery. For the Department's convenience, the clipping enclosed with Mr. Rey's first letter (June 2, 1927) is again copied for inclusion herewith.

Of this rather disturbing article, calculated to prejudice the American public against American enterprise upon the pretext of its possible "condoning" of slavery for a space, the opportunistic phase seemed to appeal to Mr. Rey. He knows enough about Ethiopian slavery to relegate the opinion of the English contributor to its proper place and he has seemed to

see

see in Ras Tafari's consideration of enterprise an occasion for an offer of his own services as an independent Englishman having a knowledge of Ethiopia and the personal friendship of the central and several provincial Governments. In his first letter, Mr. Rey states his position with sufficient lucidity and as far as I can determine, from a perusal of his very good book entitled "Abyssinia Unconquered As it is Today" and a personal acquaintance formed in Aden last spring, he is sincere.

In my reply of August 10, 1927, assuring him of the credibility of his good faith, discussion was omitted of the possible complications of American collaboration with an Englishman, however independent the latter may be, but it was felt that this would be unnecessary, after assuring him that perfect loyalty would of course be expected.

In a word, I believe in Mr. Rey. His availability for American purposes is of course a matter for future consideration by the head of the Amerivan Mission at present under the Department's consideration and others interested. The correspondence is for this reason being submitted for future note and for the benefit of any contemplated American activity in Ethiopia concerning which the Department may have occasion to give counsel. Arguments for and against the adoption of an Englishman in American projects in Ethiopia are sufficiently numerous, but some of the most patent are respectfully submitted below.

In the first instance, Mr. Rey has produced one of the best compediums of Ethiopian information, in his "Unconquered

Abyssinia

Abyssinia", which has appeared in recnet times. Of course, the book on Ethiopia has not yet been written, but this remains for one who can devote more time to a study of Ethiopia and personally examine more of Ethiopian territory than Mr. Rey or any other author has yet been known to do. It might be hoped that within the next few years a basic and comprehensive work may be published, with the exhaustive detail of Curzon's "Persia" and the incomparable style, plus the thoroughness, of Douhgty's "Arabia" -- something which will be one of the bulwarks of literature and a point of departure for all subsequent treatments of the fascinatingly obscure Empire of Ethiopia. Until the one book appears, my impression is that "Unconquered Abyssinia" offers the best known contemporary picture of the country. It is of necessity superficial and its style of "enlightened journalism", so much decried, merely serves to make it palatable to the hoi polloi. All the more power to him who can write a didactic treatise which is not"caviare to the general", and which in spite of being instructive, "brings in the shekels".

Mr. Rey's book, while neither a Burton* nor a Kinglake** is a practical guide for visitors, an elementary taxt book in any general study of Ethiopia and a sympathetic consideration of the people, their country and institutions. It has no equal save Mr. Skinner's "Abyssinia of Today" (1906), although the latter does not pretend to be other than a comprehensive summary of

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* "First Foot-steps in Africa", 1894.
** "Eothen".

of Ethiopian conditions and institutions in connection with the first official American Mission to the King of Kings. It is unfortunate that Mr. Skinner's book is out of print, as I should have liked very much to commend it to Americans contemplating visits to Ethiopia. Wylde's "Modern Abyssinia" (1901) is confined to a detailed account of the Italian military emprise of 1896, ending so disastrously at Adowa, Markham's "The Abyssinian Expedition" (1869) is a constricted treatment of Sir Robert Napier's punitive expedition, and Henty's "The March to Magdala" (1868) is a series of letters still further delimited as regards Ethiopia as a whole, whereas the publications appearing since Mr. Rey's book, such as Rosita Forbes' "From Red Sea to Blue Nile" and E. Alexander Powell's "Beyond the Utmost Purple Rim", apparently written for bread, butter and notoriety, are plagiaristic hodge-podges, heavily charged with sheer froth. "Unconquered Abyssinia" is meaty, having in addition arrangement and system, and could only be written by a man of ability, perception and understanding of the people of the country, with whom it pre-eminently deals. This savors, perhaps, of a book review, or sales promotion, or the announcement of the formation of a mutual admiration society, but I would revert to my original purpose in endeavoring to point out that Mr. Rey must be essentially sincere, sincerity being his primary qualification as an English aid to Americans in Ethiopia.

The second favorable or at least potentially useful, aspect of the man is his personal experience with a major enterprise in Ethiopia which failed, i.e., the Abyssinian Corporation

Corporation, of which Mr. Rey was a member from ite inception. Launched soon after the war by an adventurous and impractical Englishman named Major Holmes, many thousands of pounds were cast to the winds in a stagey effort to buy up the whole country. This same Major Holmes wrecked the oil concession in the Farsan islands (off the coast of Asir), for which Commander Craufurd gave of his own money and labors, through the Major's bull-headed insistence upon the Salif Salt Works (40 miles north of Hodeidah) until it was too late to grasp the oil, finally snatched away by another company (despatch No. 204 of January 28, 1927). As nearly as I can learn, Mr. Rey, although close in the in the councils of the powers behind the Abyssinian Corporation, was not responsible for its failure. But the mere fact that he was connected with it throughout its tragic, wasteful career should place him in a position to appreciate some of the pitfalls besetting any foreign commercial endeavor in Ethiopia.

890.6363/23

Against these considerations may be placed the probability that Mr. Rey, as an Englishman, however independent of the international situation torturing Ethiopia and however persona grata with Regent, Ministers, and Rases, may be still be capable, unconsciously, of course, of embarrassing the progress of future American enterprise. Ras Tafari's great hope is to establish undiluted American enterprise, the 100% nature of which might be compromised by the inclusion of even one Englishman in its councils. Although, as stated above, I believe in Mr. Rey as an individual, I am not quite sure at this time to what extent his nationality will prejudice American effort. This can be

determined

determined in the fulness of time by the American representative on the spot, or by particular American interests, or by both in consultation. It should be satisfactorily established that Mr. Rey would be completely pro-American even in thought, if taken into the confidence of our investors, and that while serving as a liaison between Americans and the ruling powers of the Provinces of Ethiopia, he would not at the same time have a vestige of mental reservation which might open the way to British participation in, or embarrassment of our work.

The question arises then, why Americans should require the help of an Englishman in Ethiopia, where Americans have but to choose, it would seem, in which direction their efforts may first be directed, unreservedly sponsored as they would be by the Prince Regent and of course by any Rases friendly with him. The answer is that they do not need Mr. Rey's introductions or personal influence at all. Rather would it seem that his guidance and assistance/in helping to smooth out the thousand and one petty obstacles which inevitably arise in the actual working of a commercial, industrial or agricultural venture. For example, to start a rubber plantation, daily difficulty will be experienced in colecting labor and keeping it on the work in hand, and the Ethiopian fears and trembles at the thought of manual labor. As Ethiopian labor and assistance is to be utilized from beginning to end, and as Americans, unaccustomed to the heart-breaking delays and the passive resistance of age-old custom which they are certain to encounter, would require advice and guidance, a man like Mr. Rey could be of inestimable value in persuading

the

the Provincial feudatory landlords and Rases to adapt themselves for the first time in history, to the innovations which they are sure to regard as being inspired by the Evil One. In short, any American productive effort in Ethiopiamust upset almost daily, fresh time honored tradition, and to do so, without defeating their own ends, Americans will be obliged to settle down to a habitual policy of compromise. This will require infinite patience, tact and experience, combined with a profound and unfailing sympathy with the Ethiopian's point of view. This is precisely the work cut out for a man like Mr. Rey. We have only to be satisfied that he qualifies as to integrity and loyalty, of which I can at present entertain no suspicion, and that his participation will not hinder the success of American development schemes through fixing upon them the much feared British identity. As stated in previous reports, there is no lack of respect for the British in Ethiopia, nor lack of desire to obtain their assistance , but there prevails an awful fear of their prehensile proclivities. Ethiopians must be convinced that Mr. Rey, as a collaborator with Americans, is not secretly a British agent. Consideration of this doubtful phase is not a discredit to Mr. Rey, but a necessary precautionary measure beyond his control. His own argument, that he is known in Ethiopia to have no political motives, is not suspected of working for his Government and holds, by virtue of his writings and conduct, the confidence of those who know him, is acceptable, as nearly as I can judge, at face value, and tends for that reason strongly to offset any doubts arising from the accident of nationality.

It is hoped that we can work with the British in the

course

course of time, but at present it is impossible, if we are to avoid the greatest danger of all -- political involvement. They are, after all, nice people to work with, and, as Mr. Bentinck has said, "we see eye to eye" in more respects than any othe two peoples to be named off-hand, but if any of our doings in Ethiopia have but the faintest pinkish tinge, suggestive of the Union Jack, our doings thereafter may not be free of it. We cannot expect these children of Solomon to understand the cousinly relations we can safely have with Great Britain.

However, Mr. Rey is well worth considering, upon mature consideration of his net potential value to our future enterprise, partially becuase he is one of the very few foreigners who have seriously and sympathetically studied the country, and who have excellent personal relations with many of those in power. Placing him in the van of our enterprise, however, using his sponsorship to gain an entry in Provinces where our welcome is assured without assistance, would serve no good purpose and probably do us harm. While we are not too proud to employ able assistance wherever we can find it, the idea of permitting it to lead, rather than follow, might well give us pause.

Finally, Mr. Rey's definite proposal to make a start in Gojjam, the rich Province embraced within the curving arm of the Blue Nile headwaters and partially encircling Lake Tana, where Great Britain has so long endeavored to obtain the great barrage concession so important to its Sudan cotton development plans, suggests the possibility that he hopes to become instrumental in his own unofficial way in achieving that concession.

From

From his point of view this would be perfectly legitimate, with the aim only of educating the people of the north country, through American efforts, up to a point of viewing British aims with less alarm. The Ethiopians, however, would be quick to see the connection and American interests would suffer, accordingly.

As for the enclosed letter of August 15, to Mr Rey, quoting comment haerd in Addis Ababa by a member of the American religious mission there, calling forth Mr. Rey's fulmination against the "Manchester Guardian", I have made further inquiry, which will be answered in due course, and if Mr. Rey's alleged unsympathetic article proves to be inconsistent, further comment will be made in a later despatch. And as for the "Manchester Guardian", opinions seem to differ considerably, depending upon the point of view. The statement made in the personal note received was the following: "Recently an article by Mr. Rey appeared in the 'Manchester Guardian', quite strong against Abyssinia's slavery and rather startling to the Abyssinians themselves for they have always regarded Rey as their staunch champion."

I have the honor to be, Sir,

Your most obedient servant,

James Loder Park.

American Vice Consul.

4 carbon copies
JP

Enclosures:

1. From Mr. Rey, June 2, 1927,
   with enclosure from the "TIMES".
2. To Mr. Rey, August 10, 1927.
3. To Mr. Rey, August 15, 1927.
4. From Mr. Rey, August 29, 1927.

File No. 801.A

(COPY).

Enclosure 1

1, Norfolk Crescent,
Hyde Park,
2nd June, 1927.

~~Confidential.~~

My Dear Loder Park:

I have been much interested in the announcement which appeared in the enclosed cutting from the "Times", and it has induced me to approach you on a matter which has long been in my mind (for the last 7 years indeed) but with which I have never proceeded for a variety of reasons which I need not inflict on you.

As you know, I am not and never have been a concession hunter, and I do not propose to launch out in that line now. Nor do I desire to engage in any wild cat scheme, for I know too much of Abyssinia and the Abyssinians to try any games of that kind out there, and frankly I should not care to embark on any enterprise which would jeopardize my reputation in Abyssinia, or destroy or impair the very friendly terms on which I stand with Ras Tafari, and the otherprincipal Abyssinians.

I have accordingly kept clear of all entanglements in Abyssinia and have no material interests there, financial, commercial and political. Though I have often been approached by interests here to undertake things out there, owing to my rather special knowledge of and influence with the people, I have always refused; amongst other reasons I have felt that

such action on behalf of a British interest might savour of political propaganda in which I am not interested and with which I will have nothing to do.

Nevertheless I am keenly interested in the development of Abyssinia as a great scheme worth doing, and capable of realisation, if set about in the right way. The Abyssinians cannot do it themselves, and they are morbidly suspicious of letting British, French or Italian interests help them. The same objection does not apply to American.

It has always seemed to me therefore that the only help lay in inducing the right type of American interest to offer to go in there, and inducing the Abyssinians to accept them; I have several times put this view to Ras Tafari, and it now appears that it has come within the bounds of practical politics.

Hence this letter. And now to get down to brass tacks.

The first point to consider is how to attack the problem, and at what point to begin. I believe in opening up new lines rather than following in the beaten tracks, and in starting with something which will not present more difficulty than necessary, tho' I know enough of Abyssinia to realise how difficult anything is out there.

One of the greatest obstacles to the development of Abyssinian trade and resources is the utter lack of communications; and the provisions of communications in Abyssinia is difficult and expensive, so much so that the return to be obtained from the outlay for a good many years would, if undertaken

taken in the ordinary way be inadequate to induce them to be regarded as a business proposition.

Therefore if one could induce the Abyssinians themselves to cooperate in the matter of communications, a great step forward would have been made, for of course they can operate infinitely more cheaply than any outsiders.

Now when I was out in 1919 - 20, I made great friends with Ras Hailu, the semi-independent ruler of Gojjam; and as you know my wife and I trekked into Gojjam in 1926 and were royally received by Hailu. I gave letters of introduction for him to Dr. Osgoods's party this year, and Hailu received them magnificently, he told Osgood 'whom I saw in London last week) that Mr. Rey "was his greatest friend".

In 1920 I had discussed and practically arranged with Hailu the following scheme. He was to construct roads through Gojjam into the Sudan, which he could do for little or nothing as the stone is available in unlimited quantities and he would use his soldiers, servants, retainers and vast numbers of peasants as labourers. I was then to put motor transport on these roads to tap the whole rpovince, and open up the import and export trade on a large scale. He would give me ground and buildings for agencies in Gojjam near all the principal markets, and would instruct all his people to bring their produce there. My agents would but and export via the new route, by which they would also import the necessary commodities, cotton goods etc. required in the country. And, most important, Hailu would provide whatever M. T. dollars were necessary, thus avoiding speculative forward buying of currency. (The importance of this

can

can only be realized by those familiar with trading difficulties caused by the Abyssinia currency).

The profits woule be divided between us on a basis to be arranged.

It must be borne in mind that Gojjam is a potentially rich province enjoying an excellent climate and of course undeveloped. Hailu is a man of progressive ideas, a keen trader, anxious to develop his country (which is one of the best governed in Abyssinia) and keen to import and export directly through the Sudan instead of sending his goods by caravan across the very difficult route over the Blue Nile to Addis, then by rail to Djiboats, and up through the Red Sea.

Now this is a very rough and imperfect sketch of the idea, (I could of course fill reams with the details), it dropped automatically when I left Abyssinia in 1920, and I have never revived it.

What I should suggest, if the idea commends itself to you, is that you should endaevor to interest the right type of American interest in the proposal, and get them in touch with me. I would go out to America if necessary, but of course I cannot afford to go out there on a wild-goose chase. Nor would I like the idea "broad-casted" for someone to go out there on his own and endeavour to work it out leaving me out in the cold. In the first place, he would fail, because the success of the scheme depends largely on my intimate knowledge of the very difficult problem of doing anything in Abyssinia, and on the confidence in and friendship for me of Ras Hailu and the others.

And in the second place, I want to be in it, as I want to take a hand in the development of Abyssinia, not so much from the money making point of view, as from the sheer interest

of

of the work in a country for which I have the greatest sympathy. I should be prepared to work out there for 10 years, and with a purely American interest I have no doubt as to the result.

Of course this particular scheme would only be one of many developments the which I know the Abyssinians want, and about several of which they have consulted me; the possibilities are unlimited, <u>if tackled in the right way</u>, by people who know the country and people, are in sympathy with them, are possessed of imagination and the necessary resources, and are not suspect from political reasons.

If you don't think there is anything in my ideas, throw this into the waste paper basket. If on the other hand you are impressed favourably, then let's go ahead. I should love to cooperate with your people, I hate working with "sports-men who are "dead from the neck upwards."

I hope that you are fit and well and that all prospers with you; my wife and I still talk of the very delightful time we spent with you in Aden.

Yours very sincerely,

Charles F. Rey.

(COPY) Enclosure 1

THE TIMES,

Cutting from issue dated,

May 25, 1927.

AMERICAN CAPITAL FOR ABYSSINIA.

OVERTURES FROM THE REGENT.

(From our own correspondent).

WASHINGTON, May 24.

The Department of Commerce has just issued an appeal to American capital to enter Abyssinia, "an almost virgin field" for productive effort", a fact which should be considered in connexion with the repeated attempts of H.I.H. Ras Tafari Makonnen, the Regent of Abyssinia, to persuade Mr. Coolidge to appoint an American Minister at Addis Ababa. In a recent statement to the Press the Abyssinian Regent suggested that American capitalists should employ the slaves who still constitute a large part of the population for development of cooffee, rubber and copper, paying the slave owners a yearly sum for five years as a rantal for this human property, after which the slaves should be free -- although the nature and degree of this freedom was not defined.

The State Department last winter tried without success to secure legislative approval for a diplomatic mission to Addis Ababa, but hopes to find the next Congress more compliant. There would be no doubt of the consent of Congress if in the meanwhile American capital should move in that direction; but the use of slaves would rouse organized Labor in the United States, and it is curious that the Department of Commerce pamphlet should be silent on that point.

The

The Regent's promise to the League of Nations in 1923 to abolish slavery and forced labor has not been carried out, and the proposal that American capital should help to destroy this system by condoning it for five years would hardly find favour here. The advantage which the Regent would seek to derive in his dealings with Great Britain, France and Italy from the presence of an American diplomatic representative and the creation of American commercial interests in Abyssinia, however, is not difficult to imagine.

----------oOo----------

(COPY) Enclosure 2

Aden, Arabia, August 10, 1927.

Charles F. Rey, Esquire,
1, Norfolk Crescent,
Hyde Park, London.

Dear Mr. Rey:

Let me apologize for the delay in replying to your good letter of June 2, which, far from being "thrown into the waste paper basket", as you ruthlessls suggest, has received my close and interested attention.

In the first place, I have confidence in your sincerity, knowledge of your experience in Ethiopia and of your success with the Ethiopians, and that you are genuinely interested in that country, with especial reference to its economic and educational development. Second, your letter shows an understanding of the problems envisaged in any development plan of this nature, the essence of which is communication, which is the first thing to accomplish, other benefits following as inevitable corollaries. Third, nothing of this nature can succeed in the Provinces without the hearty support of the respective Rases. Fourth, only those Rases sympathetic with progress and improvement can be approached, since only with their encouragement and assistance could road building materialize.

Finally, it is clear that capital must be forthcoming, and it is at this point that you are good enough to suggest that I come in, by endaevoring to place your proposal before some

appropriate

appropriate American interest, ready, I presume, to invest sufficient capital at least to demonstrate the practicable nature of the proposal.

This I shall be more than happy to do, because yours is the most reasonable and practical suggestion which has ever come to my attention. As you know, from our conversations in Aden a few months ago, I have become sick at heart from my contemplation of the quantities of good American capital which have been lost in Ethiopia through not, as you put it, going about it in the right way. You know all of the instances I have in mind, and you could probably mention others with which I am not au courant. British money was similarly lost.

I shall therefore proceed to follow up your suggestion in a manner consistent with my work here. I would not think it advisable for you to go the United States without some prospect of the fruition of your plan, but if there should be such a prospect, such a trip would be desirable, that the interest which may in future be concerned, may not only have the benefit of your detailed ideas, but may have an opportunity to form its own opinion of yourself as a man. Any American interest considering availing itself of your assistance would naturally desire to be convinced of your sincerity and loyalty under all circumstances. While my own impression of you, as above intimated, is clearly defined, you will agree with me that my share in the matter can scarcely go beyond an introduction, plus a candid account of all that I know and think about you.

I do not know, of course, who may ultimately be interested in this very sound project which you have outlined. Suffice

it

it for the present to say that it is consistent with my own ideas up to the present and that I hope to see it carried out.

It is almost needless to add that operations in any Province, while necessarily requiring the hearty support and sympathy of the Ras of that Province, should equally have the support and sympathy of the central Government.

Gojjam seems to be the ideal starting point. Embarcing as it does the great sweeping curve of the upper Blue Nile, lying as it does just north of Addis Ababa and rich as it is reported to be in soil, minerals and intelligent people, it is most promising. I do hope that some such enterprise as that which you suggest may be undertaken, under the guidance of earnest, sincere men of the true pioneering type, who would look for no reward, aside from legitimate earnings, save the satisfaction of achievement. Most of the attempts heretofore to invest in Ethiopia have been aborted by the unworthy.

Thank you for the kind greetings from your wife and yourself. I wish you both the best that you both could wish.

Yours very sincerely,

Sd: James Loder Park.

American Vice Consul.

(COPY) Enclosure 3

Aden, Arabia,

August 15, 1927.

My Dear Mr. Rey:

I have heard rumors from Addis Ababa that articles unfavorable, or I should say, unsympathetic, regarding the Ethiopians were published by you in the MANCHESTER GUARDIAN lately. The GUARDIAN does not come to Aden, as far as I know, but without having seen the articles, I cannot believe that your comment was in any way unsympathetic. I can believe that you expressed your honest opinion, but this, from my knowledge of you and your past work in that country, would not be without an honest conviction that its expression had some real good to achieve. However, the reports which come to me intimate that Addis Ababa is surprised at the attitude you seemed to have taken. I would like very much to see the articles, which do not seem to be available here, for I am sure that they must carry a constructive message, ass all of your writings that I have seen have done. Could you get hold of the cuttings for me? Please do not look upon my interest in your writings as emanating merely from reports about them, nor upon my desire to see them an impertinence. You know that I want to read everything that is printed regarding Ethiopia, and I thought, in asking you for the articles, which I cannot obtain in Aden, that you would be interested in the comment current in your "old stamping ground". My very best wishes to Mrs. Rey and you.

Charles F. Rey,
1, Norfolk Crescent,
Hyde Park, London.

Sd. James Loder Park.

(COPY)

Enclosure 4

1, Norfolk Crescent,
Hyde Park.

29 August 1927.

My dear Loder Park:

I received your two letters of 20 and 15 August together on Saturday 27, and was delighted to get them.

I was especially glad to see from your letter of the 10th that you had got right inside my ideas as regards work in Abyssinia. I entirely agree with waht you say, it is pathetic to see the way in which up to now British and American capital has been wasted in Abyssinia, and valuable concessions have been given to worthless people who are unable to exploit them, and merely make some ill-gotten gains by re-selling them to someone else. To my certain knowledge one concession has been sold to three different groups, one after the other, over a period of years, and nothing has eventuated save quarrels.

They have just given a concession for a road out west to one of the worst of the very bad Greeks in Addis, a notorious scoundrel, but a connection of Dr. Zervos, Ras Tafari's Greek Doctor! He is coming to London to try and raise capital -- I fear I shall not conceive it to be my duty to cooperate in any way.

I shall look forward to hearing the results of your "demarches" in due course - meanwhile I shall of course take no action myself.

I was amused by your other letter. I had heard the same rumours as you, and was (and am) utterly at a loss to account for them. I have never written any article of any kind on Abyssinia or any other subject in the "Manchester Guardian" which is a paper

of

of which I do not approve, run by Little Englanders, pro-Boers, and friends-of-every-country-except-their-own people. They are tabid Anti-Slavery League People.

So it must be some garbled effusion misquoting me, or else some article in some other paper. But <u>which</u> article defeats me, for I have never varied my view point in any book or article I have written: the burden of my song is always the same viz. that owing to Abyssinia's extraordinary and exceptional history and geographical position, she is a state of arrested development which must be understood sympathetically before it can be criticized: that many undesirable things exist but that Ras Tafari is honestly and sincerely doing his utmost to improve matters, hampered tho' he is by the dual form of monarchy, a reactionary feudal aristocracy and a bigoted and ignorant priesthood; to say nothing of European political intrigues on the part of the Great Powers.

I have always expressed my opinion without fear or favour as I have no axe to grind, and no material interests, financial, commercial or political there. But I am genuinely interested in the country and sincerely anxious to help Ras Tafari. I don't want to see Abyssinia absorbed by Italy or divided amongst her neighbors, but the only way to avoid this is for the Abyssinians to realise what needs mending in their own country and for them to put it right.

To slobber over them and boot lick them, as the French do, is a course which will help them (the Abyssinians) not at all, and one which I shall never follow.

Ras Tafari appreciates that, and has just written me a very

very nice letter; and the fact that he appreciated my book is evidenced by his having bought 50 copies after he had read it and distributed them to all and sundry.

If I can discover what it is that has given rise to these rumours I will of course send you a copy, as I should value your candid opinion on the matter.

My wife joins me in sending you our very best wishes and hopes for a speedy meeting.

Yours very sincerely,

Charles F. Rey.

DOCUMENT FILE

NOTE

SEE 884.61331/1 FOR [illegible]

FROM Abyssinia (Southard) DATED Nov 24, 1928
TO NAME

1—1127 GPO

INDEX BUREAU

884.6102/12

REGARDING:

Detailed discussion of the Ethiopian Tobacco Monopoly.

VOLUNTARY REPORT.

THE ETHIOPIAN TOBACCO MONOPOLY.

Minister and Consul General. .....
(Addison E. Southard).

Addis Ababa, Ethiopia. Date Prepared: Nov. 24th, 1928.

Date Mailed: Nov. 27th, 1928.

----oOo----

Tobacco trade and production in all its branches in Ethiopia is controlled by private monopoly valid until 1959.

History of the Monopoly.

The tobacco monopoly was first issued in 1906 by the Emperor Menelek to a partnership consisting of a Circassian and an Albanian. When after three years these concessionnaires failed to get the business into practical operation the monopoly was released in 1909 to an Armenian firm of which Matig Kevorkeff, French citizen,

citizen, was the main power. He continues to operate the monopoly, which is for a term of fifty years from 1909. The present holder of the concession is understood to have paid outright the sum of MT$50,000 (MT$ 1.00 = US$0.48) for it, and to have incurred additional expenses bringing the total cost up to about MT$87,000.

Business Not Large.

The tobacco business in Ethiopia has fallen far short of the expectations of the present holders of the monopoly. The ruling class of Ethiopians, who are Christians, rarely smoke. The habit has never conquered certain religious or related prejudices and about the only Christian Ethiopians who smoke are the very few who have sojourned abroad. Even these smoke but little when in Ethiopia as they fear to incur the displeasure of the rulers and more eminent members of the Ethiopian state and church hierarchy. The Mohammedan elements of the Ethiopian population are the main consumers of tobacco and tobacco products. Their total consumption, mainly snuff and cheap cigarettes, is not great. A few thousand cigars are imported annually for the use of aliens. Importations of good cigarettes are also small. The holder of the monopoly makes practically all importations and the actual figures are kept confidential.

Local Production.

The monopoly has two small and simply equipped factories

factories in which are made mainly cheap cigarettes and snuff. The raw material is imported. Very little tobacco is grown in Ethiopia although effort has been made to increase production. Owing to the long seated prejudice against tobacco and its use the peasant farmers do not take to cultivation of this particular crop. Further, such tobacco as they do or could produce must be sold at minimum prices to the monopoly interests should the latter desire it. There is otherwise little local market and, because of its mediocre quality, there is little prospect of building up an export trade.

Official Effort to Augment the Business.

The monopoly interests pay a fixed sum to the Government as royalty, but the Government also would receive an additional percentage if the business should ever develop beyond a certain volume. The payment which the Government receives is kept confidential and is not available for the purposes of this report. In addition to the royalties received the Government also benefits by customs duties on imported tobacco and by a tax on such exports as may be developed. With a view to increasing the business and otherwise stimulating it the Government has recently promulgated new regulations for the administration of the monopoly. Copy of these new regulations, translated from the Amharic, is enclosed herewith.

Opportunities for Foreign Tobacco Traders.

Article 21 of Section V of these Regulations lists the duties, including the monopoly tax which is intentionally concealed as to proportion, to be levied on imported tobaccos and tobacco products. These duties are stated in the local dollar written MT$1.00 which is equal to approximately US$0.48 at present. The value rises on occasion to a half American dollar, or more. These high duties, including tax, practically force all tobacco business into the hands of the monopoly and effectively keep out the entry of independent traders into the business. The monopoly interests buy both raw and finished products in Egyptian and other Levantine territories, and in India. Through arrangements with compatriots, and by the use of the lower qualities, they buy at prices far below possibility of competition by American sources of supply. The total annual business in Ethiopia is kept secret by the monopoly but it is estimated at less than fifty thousand American dollars spent mainly for cheap cigarettes and snuff. As the social and economic modernization of Ethiopia progresses the business will become greater. But with the firm hold of the monopoly there is little reliable opinion that the market will, for many years at least, be of other than theoretical interest to the American grower or manufacturer of tobacco.

-----oOo-----

1 Enclosure.

SOURCE OF INFORMATION: Personal investigation among local traders.

File No. 860.2
AES/sid.

A true copy of the signed original.

Enclosure to Voluntary Report of Addison E. Southard, American Consul General at Addis Ababa, Ethiopia, dated November 24th, 1926.

(SEAL OF HER MAJESTY THE EMPRESS).

---oOo---

REGULATIONS ISSUED FOR THE APPLICATION OF THE TOBACCO REGIE ADMINISTRATION ESTABLISHED BY THE ETHIOPIAN GOVERNMENT.

---oOo---

SECTION I.

The Organisation of the Administration.

Article 1.

The principal concessionaire of the Regie, the Matig Keverkoff Company, is required to establish provincial offices in suitable places near the districts where tobacco is cultivated in large quantities.

The Company when establishing these offices shall notify the Ministry of Agriculture, defining exactly all the provinces included within the scope of each.

Article 2.

The provincial offices will have the following powers:

(1) The grant to farmers of permission to plant tobacco.
(2) Distribution of seeds to farmers.
(3) Purchase and sale of tobacco.
(4) Delivery of permits for the sale and for the transport of raw and manufactured tobacco.
(5) Require and assist traders to purchase tobacco from the Regie and sell it.

SECTION II.

The Cultivation of Tobacco.

Article 3.

All persons who desire to cultivate tobacco must apply either to the head office of the Regie in Addis Ababa or to the provincial offices. Upon the grant of the permission they will pay half a thaler (i.e., MT$ 0.50) yearly for each hundred square meters. The Regie, on delivering the permit, shall write down clearly the name of the grantee and the size and condition of the land.

Article

Article 4.

If the person receiving a permit does not cultivate the land, he must endorse the permit, by name, to a substitute properly designated to replace him on the land provided for in the permit. Farmers must carefully preserve their permits and be ready at all times to produce them promptly upon demand.

Article 5.

The principal concessionaire of the Regie shall import yearly 30 kilograms of tobacco seeds, and after submitting these to the Ministry of Agriculture for examination, he may distribute them among the farmers free of charge. Furthermore, he may give prizes to those farmers who have done well, to encourage them in their work. The concessionaire of the Regie shall keep two agents capable of teaching the farmers the proper cultivation of tobacco. These agents shall distribute to the cultivaters of tobacco, free of charge, notices in Amharic explaining the planting and the cutting of tobacco.

Article 6.

During the tobacco harvest season farmers shall take their tobacco to the Regie office in their vicinity and sell it at the local price after due agreement with the officials of the Regie. If the farmers and the officials of the Regie disagree as to the price, the Ministry of Agriculture shall adjust it, taking into consideration the local prevailing rates.

Article 7.

If after buying all the tobacco necessary the Regie refuses to buy the tobacco offered by the farmers, it shall freely grant them permission to sell their tobacco as they please. Nevertheless, even after they have obtained such full permission to sell their tobacco and if there is a Regie store at the place where they propose to sell, they shall first offer the tobacco to the Regie, which still has the option of buying it according to the local price after due agreement. Only after the local Regie store refuses to buy may they sell where and to whom they wish.

Article 8.

Persons who have not shown their tobacco to the Regie and obtained the permission prescribed, cannot sell their tobacco in the open market.

Article

Article 9.

When presenting the tobacco at the provincial offices, the farmers may keep the tobacco necessary for their own and their family's use at the rate of one furasula per person. They shall sell the remainder to the Regie. If they are found selling the tobacco reserved for themselves without the permission of the Regie, they shall pay to the Government a fine of MT$5 for each kilogram and the tobacco shall be confiscated by the Regie without payment.

Article 10.

Persons who have planted tobacco without the permission of the Regie shall pay 0.25 thaler (i.e., MT$ 0.25) for each plant and the tobacco shall be confiscated by the Regie without payment. The planting permit must be renewed yearly. Persons who are found selling tobacco without the permission of the concessionaire of the Regie shall pay to the Government a fine of ten thalers (i.e., MT$10.00) per kilogram and shall have the tobacco confiscated by the Regie without payment.

Article 11.

The officials of the Ministry of Agriculture in each province, upon receipt of the notice of the appropriate official of the Regie, are held to punish and fine in accordance with the regulations and in proportion to their infringements all persons violating the law. They shall deliver to the district's provincial office free of charge all the tobacco confiscated.

Article 12.

If the officials of the principal concessionaire of the Regie discover any case of violation of its regulations, and if, after having notified the officers of the Ministry of Agriculture, these fail to do everything in their power and fail to collect the fine, the principal concessionaire of the Regie shall present his claims against these officers of the Ministry of Agriculture and Industry. If they are found guilty or to have been in association with the offenders, the Ministry of Agriculture and Industry shall punish them. Likewise, if the officials of the Regie trespass on these regulations and are found guilty the Ministry of Agriculture and Industry shall punish them in proportion to their offences. But in order that the Regie

may

may not suffer on account of these penalized officials, the officers of the Ministry of Agriculture shall give notice of their offences and punishments in written form, without delay, to the principal official of the Regie in that province.

SECTION III.

Tobacco Machinery and the Manufacture of Cigars, Cigarettes and Cigarette Paper.

Article 13.

The principal concessionaire of the Regie can alone prepare tobacco and manufacture cigars, cigarettes and cigarette paper.

Article 14.

When first a new quality of tobacco, cigar or cigarette is produced by the factory, a sample of the new product shall be deposited at the Ministry of Agriculture. It shall be sold in a quality identical with that deposited at the Ministry of Agriculture, and on the package a label must be affixed, indicating in detail the date of manufacture and the name and location of the factory.

Article 15.

Persons desiring to establish tobacco factories in Ethiopia or any machinery for the manufacture of cigars, cigarettes and cigarette paper can do so only by previous agreement. They must obtain a written permit from the principal concessionaire of the Regie.

Article 16.

Persons who are found manufacturing and preparing cigars, cigarettes and cigarette paper by machinery without permission shall pay a fine to the Government of from one thousand to ten thousand Maria Theresa dollars (i.e., MT$1,000 to 10,000) and their instruments shall be confiscated and handed over to the Regie without compensation.

SECTION IV.

The Transportation of Tobacco from One District to the Other.

Article 17.

It is necessary to obtain permission from the office of the Regie to transport tobacco, cigars and cigarettes not bearing the special wrapping of the Regie.

Article

Article 18.

All persons found transporting tobacco from one district to the other shall pay the Government a fine of MT$5 per kilogram. The tobacco shall be confiscated by the Regie without payment.

Article 19.

All imported tobacco, unmanufactured or manufactured, and cigarette paper, upon which the customs duties have been duly paid, may circulate freely throughout the country, providing the packages bear the control band of the Regie. Furthermore, the Regie, when transporting Ethiopian tobacco from one district to another, shall be immune from duty. This immunity shall be guaranteed by a Regie permit.

SECTION V.

The Import and Sale of Foreign Tobacco.

Article 20.

The principal concessionaire of the Tobacco Regie can import into Ethiopia from foreign countries raw or manufactured tobacco, cigars, cigarettes and cigarette paper. No one is allowed to import without the permission of the Regie. If any one is found importing cigarette paper he will pay a fine of 10 thalers (i.e., MT$10.00) per kilogram and the cigarette paper will be confiscated and given over to the Regie without compensation to the offender.

Article 21.

Tobacco imported from abroad with the permission of the Regie shall pay customs duties and a special Regie tax. A control band shall be affixed as a sign of the receipt of the special Regie tax on tobacco imported from abroad. The sum total of the special Regie tax and the customs duties to be paid by importers of tobacco, with the permission of the Regie, is listed as follows:

Fine Havana cigars	per	kilogram	MT$30.00
Other cigars	"	"	MT$ 10.00
Levant cigarettes	"	"	MT$ 8.00
Other cigarettes	"	"	MT$ 6.00
Levant rolling tobacco	"	"	MT$ 5.00
Other tobacco	"	"	MT$ 4.00
Snuffing & chewing tobacco	"	"	MT$ 3.00

Article

Article 22.

Imported tobacco sold without bearing the special control band of the Regie shall be confiscated and given over to the Company without compensation. The owner of this tobacco shall pay the Government a fine of MT$10.00 per kilogram or per fraction thereof.

Article 23.

Travelers entering Ethiopia from abroad are permitted to import free of duty 100 cigarettes or 25 cigars or 100 grams of tobacco with cigarette paper sufficient for 100 cigarettes. It is understood that this allowance is for their personal use. Travelers must display to custom house officials the total quantity of tobacco in their baggage. For any surplus tobacco above the quantity allowed they shall pay customs duties according to the price. They must also pay the Regie control band tax. After payment of duty for the tobacco above the quantity allowed, the Regie shall affix control bands free of charge on the tobacco that is allowed to pass free of duty.

Article 24.

If persons secretly import tobacco from abroad and make false declarations, their tobacco will be confiscated and they will pay the Government a fine of MT$10.00 per kilogram or fraction thereof.

SECTION XI.

The Export of Ethiopian Tobacco.

Article 25.

The principal concessionaire of the Regie can export to foreign countries raw or manufactured Ethiopian tobacco. He must inform the Ministry of Agriculture of every such shipment, specifying quantity and destination.

Article 26.

The principal concessionaire may export, free of duty, 100,000 kilograms per annum. For any exports by him exceeding this quantity, he shall pay 5% ad valorem for raw tobacco and 8% for manufactured cigars and cigarettes. The basis of calculation for these charges will be the current market prices.

SECTION

SECTION XXI.

The Sale of Ethiopian Tobacco Within the Country.

Article 27.

The principal concessionnaire may sell, wholesale or retail, all manufactured tobacco in his stores as well as in the provincial offices. For the distribution of the manufactured tobacco he may conclude agreements with merchants. In all places where the Regie sells tobacco, it is at all times incumbent upon the Regie to maintain ample stocks of all kinds of tobacco. In the public interest there should be a shortage at no time.

Article 28.

The Regie, when distributing tobacco of its own manufacture to dealers, shall see that they sell it at a fixed price. Any person found selling Regie tobacco at more than the fixed price shall pay the Government a fine of from MT$10.00 to 50.00. Furthermore, persons buying tobacco from the Regie for sale, who decrease, change or otherwise mutilate it, shall be liable to a fine of from MT$50.00 to 100.00. All dealers shall sell tobacco as they buy it, without diminishing or otherwise altering it.

Article 29.

Persons hiding tobacco and secreting it in the house of another, shall pay a fine to the Government in proportion to their offences and the tobacco shall be confiscated and given over to the Regie without compensation to the offenders.

SECTION XXII.

Jurisdiction.

Article 30.

Violators of this law who have been punished according to these regulations can appeal to the Ministry of Agriculture within one to four months, according to the distance of the place, after the date of the violation of the regulations.

The

The Ministry of Agriculture shall be empowered to adjudicate such appeals.

Article 31.

If condemned violators do not appeal to the Ministry of Agriculture within the prescribed one to four months, their sentences remain automatically valid.

Article 32.

The Ministry of Agriculture is the guardian and the executor of this law.

----oOo----

Hamlé 1st, 1920, Year of Mercy. (July 8th, 1928).

(Sgd.) (Seal).

The Tsafi Tezaz. His Highness the Heir Apparent.

(Seal).

EMPIRE OF ETHIOPIA.

Ministry of Agriculture and Industry.

----oOo----

DOCUMENT FILE

NOTE

SEE 884.50/2 FOR Tel #1 noon

~~XEROX~~ Abyssinia ( ) DATED Jan 4, 1929

TO NAME

1—1127 ...

REGARDING: French concession for Ethiopian Economic Development.

DECLASSIFIED

884.60 2/13

DOCUMENT FILE

NOTE

SEE 884.154/10 FOR # 43

FROM Abyssinia (Southard) DATED Feb 19, 1929
TO NAME

INDEX BUREAU
884.6028/14

REGARDING: agreement between France and Ethiopia for the construction of a railroad from Djibouti to Harrar, reached March 9, 1894, and providing for the exclusion of rival railroads from the Red Sea and the Indian Ocean into Ethiopia. New treaty between Italy and Abyssinia provides for the construction of a motor road from Assab to Dessie.

b

DOCUMENT FILE

NOTE

INDEX BUREAU

884.6363/1502

SEE 884.6363-Contomichalos Co., Ltd/1 FOR # 152

FROM Addis Ababa (Park) DATED May 8, 1930.
TO NAME

1—1127 ...

REGARDING:
the negotiations of Mr. Contomichalos of Contomichalos, Darke and Company, Ltd., of Khartoum with the Ethiopian Government for a monopoly on the sale of petroleum products in Ethiopia, American products expected to be used exclusively.

mb/

No. 1252.

AMERICAN CONSULATE GENERAL
Addis Ababa, Ethiopia,

May 8th, 1930.

CONFIDENTIAL.

SUBJECT: Proposed Ethiopian Gasoline and Kerosene Monopoly for Contomichalos, Deeks and Company, Limited, Khartoum.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to report that at the beginning of April this office was approached by a partner of the Contomichalos, Deeks and Company of Khartoum, Sudan, with a request regarding the probable American official attitude in its proposed plan to obtain monopoly rights from the Ethiopian Government to sell gasoline and kerosene in Ethiopia.

Mr. Contomichalos, says he has come for the purpose of negotiating with the Ethiopian Government for this monopoly. His proposal was brought to the attention of this office by Trade Commissioner Ralph F. Cheshrough, visiting this district in late March and early April. His purpose is to stay until some definite issue becomes apparent, either for or against the proposal.

The situation, according to Mr. Contomichalos, is that the Ethiopian Government had invited the firm to establish a general import and export business here,

and

and to undertake under available guarantees any possible constructive and progressive operations. Presumably road building would be one of the main such departures.

In response, Messrs. Contomichalos, Darke and Company proposed to establish a branch here, ready for all kinds of trade and development operations, but they could not consider such a step without some primary and fundamental trade guarantee. They proposed the guarantee in the form of a gasoline and kerosene monopoly.

This proposal, and its proponent, were brought personally to the attention of this office on April 4th, 1930. This office had previously received a copy of World Trade Directory Report No. 24 submitted by Trade Commissioner Ralph F. Chesbrough on December 3rd, 1929, describing the proposed Ethiopian subsidiary under the name of Contomichalos Company, Limited, the name of Darke being omitted in view of possible Ethiopian susceptibilities to any large firm having British color.

Mr. Contomichalos stated that he does not yet request any assurance of American official support in the monopoly matter. He hoped that the proposal would be placed before the Department for consideration in principle, pending developments. He seemed to feel that satisfactory arrangements with the Ethiopian Government, as the necessary starting point, were by no means assured. He is here on experimental mission, and for purposes of negotiation has technically established the

subsidiary

subsidiary called Contomichalos Company, Limited, of Addis Ababa. He is understood to have full powers to negotiate.

The American trade interest in this monopoly proposal arises from the assurance of Mr. Contomichalos that he desires to handle American brands of gasoline and kerosene exclusively. He proposes to make his own arrangements with American petroleum companies, without official assistance, if of course he is successful in his present efforts with the Ethiopian Government. He said he had considered the fact that two principal American oil companies are already represented by agents here, namely, Standard Oil of New York and the Texas Company, and that Sinclair gasoline is informally sold in occasional lots. He was reminded of our policy, under our Regulations, to assist American trade without preferential treatment of any kind, and that even if he should include the three above mentioned American companies in his plans to handle only American products, there are other American oil companies whose interests we are equally required to promote in Ethiopia. For example the Vacuum Company has lately shown interest in this market. He seemed to understand this and said that an equable and satisfactory arrangement with American companies might be made for the admission of any American gasoline and kerosene into the benefits of the monopoly. Definite plans seem not to have been outlined in this regard.

regard.

The most definite thing about the proposal seemed to be the desire of Contomichalos firm to exclude all non-American brands of gasoline and kerosene. This seems attractive from our point of view, but it does not appear to coincide with our policy regarding monopolistic concessions. Reference is respectfully made in this connection to the address delivered by the Honorable Mr. W. R. Castle, Jr., in April 1926, at the Fifteenth National Foreign Trade Convention at Houston, Texas. Discussion of the Contomichalos proposal was conducted with this declaration carefully in mind.

Further attractive American trade features suggested by Mr. Contomichalos in his still tentative proposal, included mainly his plan to build roads and import American automotive products to meet the demand created by new communications. He cited the considerable success of his firm in Sudan in promoting American automobiles and trucks.

These and related benefits to leading American industries are evident, setting aside for the moment the monopolistic feature. There appeared to be in the general attitude of Mr. Contomichalos an effort to impress this office with his antagonism particularly to British trade. It was not clear if this was real, or affected in the hope of winning further favor to his plan.

Such

Such is the situation as comprehended by the undersigned. So little is definite, and progress in the preliminary Contomichalos negotiations with the Ethiopian Government may be delayed much longer than at first anticipated by the local representative, owing to the major Government changes which were occurring at the very moment of his interview at this office, pre-occupation of the Government with extensive plans for the coronation in October of the new Emperor, and other difficulties attendant thereto.

One other point was suggested, namely, as to what would happen if any attempt were made to oust the two chief British gasoline and kerosene lines already firmly established in this market, namely, Asiatic Petroleum and Anglo-Persian, and which together have well over half of the total Ethiopian trade. The reply was not very definite, except that a monopoly would mean that they could only remain by meeting, it was understood, such conditions as may later be stipulated by the Contomichalos Company. The British, it should be commented, have lately been exceedingly ambitious, aggressive and indeed successful in trade promotion here. It is understood that the combined British companies asphalted a section of Addis Ababa road free of charge as a demonstration. They appear now to be reaping benefit in contracts made for further work of the kind in preparation

for

for the October coronation. Possible results of monopolistic activity in which Americans would have a share, prejudicial to British interests as it would be, gives one to pause, reflect and blench at the thought of stirring such a hornet's nest, with possible international difficulties. Reflecting further, and still independently, for convenience, of our policy regarding monopolies, the proposed monopoly, unless made wholly acceptable to British and other petroleum interests, might have unsavory potentialities in our Tsana dam endeavors, in which British good will would seem to be vital.

The Ethiopian attitude is expected from all present indications to be cautious on the question of granting the monopoly. The Emperor would seem too astute to invite without very careful thought the strong protest that may arise, especially from British quarters.

This is intended to be merely a preliminary report embracing the complications that occur to this office as being possible under present conditions. Mr. Contomichalos does not yet desire any reply, since he is not at all sure that his plans will successfully pass the first barrier, namely, a satisfactory concession from the Ethiopian Government. It seems unfortunate that his company appears to insist so definitely upon a monopolistic trade guarantee before starting business here.

here. The firm is understood to be really powerful, well organized and for the most part quite up to date and practical in its business methods and plans. This country and our own trade need a really large firm, favorable to our products and prepared to make fundamental improvements in a big way. Other large firms here are conservative and limited by inhibitions and antiquated traditions. Without the gilt-edged security of a monopoly which Messrs. Contomichalos appear to require, some courage is of course necessary in such activities as, for example, road building. Yet construction of this kind, with legitimate toll and other guarantees to protect the capital invested, must surely bring adequate returns, foremost in the automotive and petroleum sales which would immediately be stimulated thereby.

The further activities of Mr. Contomichalos will be studiously observed and promptly reported, as will any moderation or adaptation of the difficult terms of the Contomichalos proposal, of interest as affecting our ability to co-operate.

I have the honor to be, Sir,

Your obedient servant,

James L. Park,
American Vice Consul.

File Nos. 860.2/869.7
JLP/jef.

new

DOCUMENT FILE

NOTE

SEE 884.4061-Agricultural Museum/1 FOR # 157

FROM Abyssinia (Southard) DATED Mar 4, 1929
TO NAME

REGARDING: Ethiopian Agricultural Museum, to which the Abyssinian Minister has invited U.S to contribute.

INDEX BUREAU

884.607

b

Addis Ababa,
Ethiopia.

March 4th, 1929.

No. 187.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to forward herewith for the consideration of the Department copy of translation of a self-explanatory letter received by this Legation from the Ministry of Agriculture and Industry of the Empire of Ethiopia in which the United States Department of Agriculture is requested to provide certain exhibits for the Ethiopian Agricultural Museum.

The Ministry of Agriculture and Industry has been informed that its letter is being forwarded to the

the Department of State. There has, of course, been given no intimation as to what response may be expected. However, should the United States Department of Agriculture find itself in a position to give favorable consideration to this request the suggestion is respectfully made that Mr. H. V. Harlan of that Department, who once made a trip to Ethiopia as an agricultural explorer, will be able to offer valuable suggestions as to the sort of exhibits most suitable for use here.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File No. 861.
AES/sid.

A true copy of the signed original.

Enclosure to Despatch 157 of March 4th, 1929, from [redacted].

TRANSLATION

(From the French Version Received with the Amharic Original of a Letter Dated March 1st, 1929, from the Ministry of Agriculture and Industry, Addis Ababa).

No. 1057.

MINISTRY OF AGRICULTURE
AND INDUSTRY
THE EMPIRE OF ETHIOPIA.

Addis-Abeba.

May this communication come to His Excellency Mr. Southard, Minister of the United States at Addis Ababa, Ethiopia.

As a contribution to the development of the agricultural knowledge of our farmers and for the purpose of teaching them methods practiced abroad, we are desirous of importing agricultural exhibits for display in our Agricultural Museum.

We hope to obtain samples of grains, plants and dried specimens, including cereals, vegetables, condiments, fruits, trees, forest products, forage, and other agricultural products characteristic of the United States of America and its possessions.

We would also like to obtain photographs of domestic animals, methods of cultivation, plantation scenes, farming country, agricultural processes, farm machinery and rural buildings. Charts, tables and important books illustrating the agriculture of the country will also be welcome.

We would further request the American Department of Agriculture kindly to provide us with a detailed list of the items to be included in the above categories and to advise us of all costs connected with them and their transportation to Addis Ababa.

We sincerely hope that through Your Excellency's intermediary a response to our request will be forthcoming as soon as possible.

With thanks in advance, we offer Your Excellency our cordial greetings. Yekatit 22nd, 1921 (March 1st, 1929).

(SEAL) MINISTRY OF AGRICULTURE. (Sgd.) W. M.
(Sgd.) M. H. W.

Office of Economic Adviser
JAN 5 1926
DEPARTMENT OF STATE

DEPARTMENT OF STATE
DEC 1 3 1925
DIVISION OF
NEAR EASTERN AFFAIRS

NO. 94

AMERICAN CONSULATE,

Aden, Arabia

November 19, 1925.

SUBJECT: Request from the Government of Abyssinia for an American Administrator of a New Project

FILE

January 4, 1926.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

For Distribution

SIR:

I have the honor to transmit herewith, for consideration and appropriate action, in the Department's discretion, translations, in English and French, of a communication dated October 2, 1925, received at this Consulate from His Imperial Highness, Ras Tafari Makonnen, Heir to the Throne and Regent of the Empire of Ethiopia, requesting this office to lend its aid in obtaining the services of an American business man, skilled in organization and business management, to administer a new Abyssinian company founded under the name of "Society for the Development of Agriculture and Commerce." The French translation of the original in the Amharic language was received with the latter.

The communication referred to seems to be for the most part self-explanatory, constituting, as it does, a simple, direct request which apparently requires no elaboration or comment, except, perhaps, to point out a number of reasons for believing that it is sincere and bona fide.

Chief among these reasons is the fact that His Highness Ras Tafari, as Regent, however restricted and opposed

posed he may be in a purely political sense, is nevertheless allowed a free hand in matters which do not seem to conflict with the reactionary elements in the Government. The Empress, Waizaro Zeodito, daughter of Emperor Menelik II., is extremely conservative and fanatically religious. She had conspired with the War Minister, Fituarari Hapta Giorgis, in 1916, to oust the former Regent, Lij Yasu, which resulted in a battle on the 12th of October of that year, the capture of Lij Yasu, his imprisonment and the enthronement of Ras Tafari. The Empress was enthusiastically behind this movement on the pretext that Lij Yasu had shown too great an interest in the Mohammedan religion. The two instigators of this conspiracy, with their supporters, then literally plead with Ras Tafari to accept the Regency, as he was the next of kin in the male line and was considered a mild, harmless, but useful candidate for the position. He reluctantly accepted, but lost no time in demonstrating his silk-gloved strength of character. At one time, when Ras Tafari proposed to do something which the Empress and the War Minister considered objectionable, he met with them in private council, with all of the Ministers of departments, and declared himself in no uncertain terms. He is said to have told them: "You threaten to depose me for this proposal of mine. Here is the document, with your several signatures, asking me to accept the Regency. You know that I was loth to do so, for as I said then, and I repeat it now, that I would a thousand times prefer to return to my hereditary Province of Harrar, to live perhaps in comparative obscurity, but to live nevertheless in peace. If I am to

direct

direct the affairs of this Government, I mean to do so, without hindrance, to the best of my ability. If you will not honor your contract with me, I shall withdraw, return to my province and leave you to your troubles." Opposition melted; he had "called their bluff." And it is for this reason that Ras Tafari has held his own for nine successive years. Ras Tafari, as an Abyssinian, is a man of extraordinary intelligence, education and astuteness. He holds the reins of government firmly and wisely, but he does not yet dominate all of its factions. They still endeavor to restrict and obstruct him in his plans for the modernization and development of Abyssinia. He works sixteen hours a day and delegates but little to his Ministers.

But this obstructive tendency has not become apparent in matters of agriculture and commerce. The country is largely dependent upon its agriculture, ineffective and prehistoric as it is, and much revenue is derived from imports and exports. The Government exacts its tribute from everything that enters or leaves the country, and the reactionaries are not too obtuse to appreciate the value of agriculture and commerce.

A second reason for the promise of success in the new venture launched under Ras Tafari's patronage is the feudalistic nature of Abyssinia. It is a country of landlords and peasants, with armies of slaves at the bottom of the social scale. Ras Tafari, as one of the principal land owners, is in a position to promote an agricultural venture entirely on his own responsibility, even if he were not Regent of the Empire. He possesses in his own name fully

three-

three-quarters of the land included in the rather loosely termed "District of Addis Abeba." And as the hereditary Governor of the Province of Harrar, his holdings there are beyond any known estimation. His support, therefore, of this new company for which he desires an American administrator, is likely to be strengthened by the mere fact that he is the absolute master of sufficient land in his own right to make it prosper. And as the recognized and accepted head of the Government, his request, which was voluntary and official, carries the additional weight of regal authority.

Thirdly, the success of the proposed enterprise is partially to be judged by the number of modern innovations already introduced into Abyssinia under the protection of Ras Tafari and against much fanatical opposition from the Queen and the War Minister. There are, for example, sixteen automobiles in the garages of the two palaces, all but one or two of which were imported during the past year, following the Regent's visit to Europe. The Empress refuses to ride in them, but she does not too strenuously oppose their use. The War Minister gives them but little thought, looking upon them more or less as the Prince's toys. There are two steam rollers, which are even now being employed in mending some of the deplorable highways of Addis Abeba. There is an agent for the Italian Fiat, who has expressed his belief that one hundred of these cars will be on the road within two years. The French railway and the Italian telegraph system have existed for nearly two decades. The War Minister proudly declares that he has neither seen the one nor used the other. But it is generally believed that he has come to realize their value

and

and to accept them as necessary evils, his loud protestations being regarded mainly now as a pose. There is a local telephone system in Addis Abeba which, though inefficient, is highly valued by the entire foreign community and even by great numbers of the Abyssinians themselves. A great part of the daily routine of the Royal Courts themselves is simplified by the use of the telephone. Fanaticism, strong as it is at the present time, has very gradually, but visibly, weakened in the presence of utility and convenience. Thus a "Society for the Development of Agriculture and Commerce," beginning, as it should, on a moderate, inoffensive scale, under the auspices of the Regent and under the guidance of a capable American business man, would be less likely to arouse suspicion than some of the things already introduced with success.

But everything thus far attempted has not been introduced with success. One year ago, for instance, Ras Tafari imported an elaborate and expensive cotton ginning and weaving apparatus, together with an expensive expert, supplied by the British manufacturers, to set up and start the mill. The expert remained idle in Addis Abeba for eight months and finally went home. The machinery is still in its crates somewhere near the Addis Abeba railway station, rusting hopelessly away. The failure of the project is attributed to almost unanimous opposition, in which the Empress was the prime mover. Numerous pretexts were put forward, some of which were apparently well founded. Coal, said those who resisted on behalf of the Queen, was too

expensive

expensive, the cotton too sparse, scattered and remote, and the communications too hopelessly inadequate either to concentrate the cotton at the mill or to distribute the finished product. All of which was sound reasoning, whether the Empress regarded the machinery as a contrivance of the Evil One or not, and the experience has probably been a most valuable lesson to Ras Tafari, who is apparently beginning to realize that in his very backward country his dreams of improvement can only be realized by degrees, and that his mistake lay in his desire to begin at the top, rather than modestly at the bottom. The latest evidence that the Prince clearly understands his limitations as an economist is embodied in his request for an American business man, to whom he may delegate the task of starting a new project along scientific and profitable lines.

In the fourth instance, the outlook of this enterprise is brightened by the confidence and comparative friendliness shown by most Abyssinians toward Americans. The general attitude is anti-foreign, an outgrowth of earlier Italian and British invasions, of the contiguity of Italian, British and French possessions and of the ever-present foreigners, official and private, within the Abyssinian borders, foreigners whose mere presence in the country is, from the Abyssinian point of view, open to suspicion. The Americans thus far seen by them have not deceived them, and have been liberal with their money. Americans are still able to carry a certain halo of goodness in Abyssinia, which will remain a very important asset, so long as it is not spoiled by the unworthy. The old warning cry of the conservatives: "The Ras is selling your country to the foreigners!" loses much of

its

its terrifying force when American interests are involved, for there is a general feeling that these interests are not counter to their own. This feeling is not so much one of positive friendliness as it is a form of relative toleration. A little more American activity in Abyssinia, of the right sort,would soon sweep away much of the doubt engendered by certain foreign interests. Much has been done to uphold American prestige by the United Presbyterian Mission Hospital, under the wise direction of Dr. Thomas A. Lambie, who has made of this institution a striking example of American disinterested/ness and service spirit. The impression has become general in Abyssinia that American enterprise, whatever the form it may take, is unlikely to be wholly selfish, and confidence prevails in a marked manner that American activities will not be prejudicial to the interests of the State.

The fifth, but not least important argument lending weight to Ras Tafari's proposal is the reputed great personal wealth of that potentate. Estimated variously, up to hundreds of millions of Maria Theresa dollars, the Regent's fortune should in any case serve a useful purpose, even if only as a moral form of support. The "wealthy individuals" referred to in the Prince's enclosed communication, have not yet been identified, but there is no doubt that they exist in goodly numbers, products of a purely feudal society. There should be no lack of funds, if the responsible men are willing to furnish them. The American administrator, whoever he may be, should be on his guard in this direction. Abyssinians are notoriously limited in their concepts of the scope of business undertakings. They decide, for example, to repair the

roads

roads in Addis Abeba, begin operations in a very encouraging manner, cover long sections of road with road metal, and suddenly abandon the work for months on end, simply because the expense was found to exceed the original estimate. A great central church was planned as a memorial to Emperor Menelik, the foundations were laid and much expense was incurred, when the whole project was stopped, upon receipt of an estimate from an Armenian architect of the total expected cost of the building. This improvidence, however, is slowly being over-ruled by the Regent, who deplores such inertia and waste. The Abyssinians are "penny wise and pound foolish" to a degree, which no one realizes more thoroughly than Ras Tafari. Making a business pay its way on sound economic principles of organization and management, would be impossible without expert control, and the expert is not to be found among the Abyssinians. But the capital is there, and the administrator, by a judicious combination of foresight and firmness, should be able to teach the promoters, unschooled as they are in business, what investment really means. They appear to have indicated a willingness to learn.

The salary proposed for the new administrator, namely, 600 to 800 "Ethiopian dollars" per month, is equal in United States currency to approximately $360.00 to $480.00, the value of the obsolete Austrian Maria Theresa thaler being almost exactly $0.60 at the present time. This is probably a tentative figure, which might be increased, if found necessary, in order to obtain the services of a

sufficiently

sufficiently able director, whose position will not be an easy one, even under the most favorable circumstances. It appears, however, to be a splendid opportunity for a man of adventurous and pioneering spirit. Travel expenses should also be paid by the new company. These and other details can be attended to in due course.

An effort is being made by this Consulate to ascertain further information regarding the project, such as, for example, the names of the promoters, their position and resources, the extent of their foreign experience, the amount of cash capital to be made available, etcetera.

There are a number of foreigners of long residence in Abyssinia who have grown firmly skeptical, if not even cynical, regarding the possibility of any business being operated on a profitable basis with Abyssinian material. And even an American director, working at the request and under the patronage of the Government, may encounter difficulties comparable to those of Mr. Shuster in Persia in 1911. The difficulties, at the worst, would be on a very small scale. With firmness, tact and a studious watchfulness of the requirements peculiar to the situation, the new director may accomplish truly surprising results.

Three important difficulties may be noted at this time, in order that the new director, if chosen, may know to what circumstances he must adapt his methods. These are (1) lack of communications, (2) corrupt and inefficient courts of justice and (3) lack of education. Thus, the Franco-Ethiopian Railway from the port of Djibouti to Addis

Abeba

Abeba constitutes a monopoly of transportation, and the tendency toward excessive freight charges must be carefully watched. Court decisions are often rendered in favor of the side from which the most revenue is forthcoming. Illiteracy, coupled with a very general ignorance and a marked racial lassitude, renders the prompt dispatch of business rather difficult. Yet business is done, by many quite lucratively, without Governmental assistance. The encouraging factor in proposal under discussion is the personal and official participation in the venture by His Highness Ras Tafari.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park,
American Vice Consul.

Enclosures:

(1) His Highness Ras Tafari Makonnen to J. Loder Park, October 2, 1925, French translation from the original in Amharic.

(2) Translation of (1) in English.

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(COPY)

TRADUCTION

T A F A R I M A K O N N E N

Heritier du Trone et Regent de l'Empire d'Ethiopie

A l'Honorable Monsieur Loder Park

Consul des Etats-Unis Aden.

Que la Paix soit avec vous.

Je n'ai pas oublié les relations amicales que nous avons entretenues lors de votre précèdent séjour ici.

J'espère que vous voudrez bien m'aider amicalement à conclure l'affaire que je vous expose ci-après.

Des personnes riches et des négociants qui se trouvent à Addis-Abeba, sachant qu'un emploi rémunérateur de leur argent est plus avantageux que de la laisser dormir, avaient placé leurs capitaux en actions et avaient créé une Société pour le Développement de l'Agriculture et du Commerce.

Mais ceux qui dirigeaient l'entreprise étaient des gens du pays, qui n'étaient pas allés s'instruire à l'etranger; pour cette raison, ils ne purent réaliser de grande bénéfices.

Et moi, après avoir examiné le but qu'ils poursuivent ainsi que l'oeuvre qu'ils ont accomplie, j'ai fait part à la Société de ma conviction qu'il lui fallait faire appel à un étranger afin d'organiser normalement l'entreprise.

La Société ayant accepté mon avis avec plaisir, m'a prie

prié de lui faire venir, sous réserve de mon acceptation, un administrateur étranger.

Si cette nouvelle Société pour le Développement de l'Agriculture et du Commerce pouvait fonctionner et se développer, je suis persuadé qu'il en résulterait un grand avantage pour notre peuple; j'ai donc décidé que l'on ferait appel à un Américan pour la réalisation de cette oeuvre.

Mais comme il n'y a pas ici de Consul Américain, pour discuter ces questions et les mettre au point, il me serait très agréable que cet Américain puisse venir par votre intermédiaire.

Bien que cette organisation ne soit pas une Banque, elle effectue toutes les opérations bancaires.

Bien que La Société est disposé à accorder un traitement mensuel de six cents à huit cents thalers éthiopiens.

Cette oeuvre n'est pas extrêmement importante, néanmoins, il n'est pas douteux qu'elle ne renforce les sentiments d'affection qui sont à la base des rapports qui existent entre les peuples Ethiopien et Américain.

Si vous pouviez accepter ma suggestion et faire tout ce que est en votre pouvoir pour faire venir rapidement cet Administrateur, j'en serais particulièrement heureux.

Addis-Abeba, 23 Tekemet 1918, An de Grâce.

(2 Octobre 1925)

(Sceau de S. A. RAS TAFARI MAKONNEN)

TRANSLATION.

TAFARI MAKONNEN

Heir to the Throne and Regent of the Empire of Ethiopia,

To the Honorable, Mr. Loder Park

Consul of the United States, Aden.

Peace be with you

I have not forgotten our friendly relations during your recent sojourn here.

I hope that you will be so kind as to help me to attain that which is explained to you below.

A number of wealthy individuals and business men of Adis Abeba, knowing that a productive investment of their money is more desirable than to allow it remain inert, have invested their capital in shares and created a Society for the Development of Agriculture and Commerce.

But the promoters of the enterprise were people of the country, having no foreign education, for this reason they are incapable of deriving any great benefit (from a business of this nature).

And I, having studied their proposal, and seen, as well, the work already done by them, have joined the Society, upon my conviction that it is necessary to appeal to a foreigner, properly to organize the enterprise.

The Society, having accepted my suggestion with pleasure, asked me to bring, subject to my approval, a foreign administrator.

I was persuaded that, should this new Society for the Development of Agriculture and Commerce properly function and prosper, it would signally benefit our people. I, therefore, desire that an American be sought for the realization of this new work.

But since there is not an American Consul here, with whom such matters could be discussed and brought to a head, it will be very agreeable to me if, through your good offices, this American could be caused to come.

Since this organization does not need a bank, it will effect its own banking operations.

The Societay is prepared to pay (i.e. to the administrator) a monthly salary of from six hundred to eight hundred Ethiopian dollars.

This project is not extremely large (in itself), nevertheless, it will certainly not diminish the friendly sentiments which form the basis for the relations existing between the Ethiopian and American peoples.

Should you be able to accept my suggestion and if you would do all in your power to bring this administrator at an early date, I should consider myself particularly fortunate.

Adis Abeba,
The 23 Tekemet, Year of Grace, 1918
(October 2, 1925).

(Seal of His Highness,
Ras Tafari Makonnen).

January 1, 1926.

In reply refer to
NE - 884.61/-

The Honorable

The Secretary of Agriculture.

~~CONFIDENTIAL~~

Sir:

I have the honor to transmit herewith for your information a copy of a despatch, No. 94, dated November 19, 1925, from the American Consul at Aden, Arabia, enclosing a copy and a translation of a letter addressed to him by Ras Tafari Makonnen, the Prince Regent of Abyssinia, concerning the desire of the Prince to obtain the services of an American expert to serve as manager for an Abyssinian company founded for the purpose of the development of agriculture and commerce.

The Department has requested Consul General Ralph J. Totten, who is proceeding to Abyssinia, to obtain additional information regarding the project mentioned in the enclosed communication. When a report has been received from him the Department will be glad to forward the substance thereof to you. In the meantime no action in the matter would appear to be necessary.

CR
Dec. 31, 1925

I have the honor to be, Sir,

Your obedient servant,

For the Secretary of State:

LELAND HARRISON
Assistant Secretary.

Enclosure:
Copy of despatch
referred to above.

NE-KC:VT.

811.4284/16

Office of Economic Affairs
JUN 12 1926
DEPARTMENT OF STATE

DEPARTMENT OF STATE
1926
DIVISION OF FAR EASTERN AFFAIRS

Assistant Secretary of State
JAN 26 1926
MR HARRISON

INDEX BUREAU
JAN 2 1926

NO. 98.

AMERICAN CONSULATE,

Aden, Arabia, December 7, 1925.

SUBJECT: Further Details Regarding the New Project in Abyssinia for which an American Administrator is Desired.

DEPARTMENT OF STATE
DEC 8 1925
ASSISTANT SECRETARY

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

SIR:

I have the honor to refer to despatch No. 94 from this office, dated November 19, 1925, and entitled "Request from the Government of Abyssinia for an American Administrator of a New Project," and to quote below a number of confidential remarks made on this subject by Doctor Thomas A. Lambie, the American Director and Surgeon of the Tafari Makonnen Hospital, which is supported by the Women's General Missionary Society of the United Presbyterian Church of North America, and is operated in connection with the Mission of that Church at Adis Abeba.

Doctor Lambie, aided by his wife and an able staff of Americans, in less than two years obtained a free grant of land from the Abyssinian Government and built a complete, modern hospital of 100 beds.

He is a close personal friend of His Highness the Regent, Ras Tafari, and has a considerable amount of influence over the latter. He has been careful, however, during his three years in Adis Abeba, to confine his influence to the development of his missionary work, carefully refraining from words or actions likely to entangle

him

INDEX BUREAU
JUN 26 1926

him in politics. Doctor Lambie has been very friendly and helpful to this Consulate from the beginning, and his observations are merely these of an unofficial observer, with the advantage of being authoritative. He says:

" I had a long talk with His Imperial Highness last night and on another occasion in regard to the Abyssinian Company for which an American Administrator is sought. This is a sort of Bank that has been going on for over 15 years. It had an initial capital of $375,000 Maria Theresa paid in, with the intention of increasing the capital to $3,000,000 Maria Theresa. Menelik was the chief organizer, and with him were associated all the high Abyssinian officials. Today the Queen, Ras Tafari and the chief Ministers are all members of this Agriculture Development and Trading Company. There is no doubt it could be made a good thing".

Doctor Lambie goes on to point out the two main difficulties envisaged in the way of the success of this enterprise which is, of course, not a new one. Quoting further:

"The difficulty that most people have in collecting debts in Abyssinia is because the Government puts the onus of collecting debts upon the creditor. This means that in case any Real Estate is to be handled over as a debt that the creditor must personally execute justice, evict the dwellers upon the property and personally

take

take possession. There is no ordinary process of law. This is true of the whole country with the possible exception of Adis Abeba where things are a little better. The difficulty, has been then, since most of the loans are made upon Real Estate, for the creditor to obtain justice. But in this Company as you can readily see with all the prominent Abyssinians interested in it, it is much easier for them to collect their loans than it would be in a similar company especially were it of foreigners.

"I do not suppose that the American Director would have anything to do with the actual collecting of loans. But here again another point comes up. The Bank of Abyssinia an English Company has the exclusive right to have a Bank in Abyssinia, and this company apparently seems to be an effort to evade the monopoly granted the Bank of Abyssinia. I asked His Imperial Highness what the Bank of Abyssinia's attitude would be in this connection and he said that until the present they had raised no difficulties. He would not express an opinion whether he thought the Bank of Abyssinia would raise difficulties in case an American Administrator came, but I think it only right that you should know of this monopoly that the Bank of Abyssinia has, before whole-heartedly advising an American Administrator to come and take charge of this Agriculture Development and Trading Company."

There are very possible obstacles in the way of the success of this Agriculture Development and trading

Trading Company, but they might well be regarded merely as problems which the new American Administrator, if sent, would have to solve in connection with his general duties as organizer. The Consulate is endeavoring to discover just what the British attitude towards this project would be, in view of the existing British banking monopoly.

The banking monopoly question, however, has already been disposed of by Ras Tafari himself, in his letter to this Consulate dated October 2, 1925, copies of which were enclosed with despatch No. 94, in both French and English. From these, it can be seen that a misinterpretation was made of the fourth paragraph from the end. The correct translation is believed to be, "Since this organization is not a bank, it performs all banking operations". Thus it becomes clear that had the Society for the Development of Agriculture and Commerce infringed the monopoly rights of the Bank of Abyssinia, energetic protests would certainly have been forthcoming from the British interests in Abyssinia at some time during the fifteen years of the Company's existence.

Private banking is conducted in Abyssinia on a very extensive scale, the majority of the important Arab and Indian merchants preferring to negotiate bills and drafts through unofficial channels, on the reasoning that the charges demanded by the Bank of Abyssinia are excessive. Even the Government, while obliged to recognize the monopoly rights of the Bank of Abyssinia

technically

technically and officially, still refuses actually to employ it. Only nominal sums are kept on deposit by the Government which moreover refuses to recognize the validity of the Maria Theresa dollar currency notes issued by this bank. In fact these banknotes are used only among foreigners, and only in Adis Abeba. Hence there is but one official bank in Abyssinia, but much private banking, which thus far has never been protested against.

With regard to the system of collecting debts, Doctor Lambie's belief is probably correct that not only should little difficulty be encountered by an organization controlled by the royal family, but the responsibility of collection would not devolve upon the American Administrator, whose duties are expected to be mainly advisory. His presence is probably desired ptincipally to organize the company in such a manner as to overcome and reduce the danger of this factor.

In short, an Administrator is desired to reorganize a company which already exists, to make it pay and to make it grow in strength as a factor in the general development of the country. He would be a paid manager, with full powers regarding the actual operation of the company. He would be expected to adapt the company's business methods to the conditions peculiar to Abyssinia and its people.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park

American Vice Consul.

File No.863.

No. 197.

Office of Economic Adviser
DEC 11 1926
DEPARTMENT OF STATE

AMERICAN CONSULATE

Aden, Arabia, October 15, 1926.

SUBJECT: Transmitting Further Press Comment on Abyssinia.

Copy Transmitted by The American Trade Commissioner, Cairo, Egypt.

For Distribution

Consul General Paris

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON:

DEPARTMENT OF STATE
NOV 9 1926
DIVISION OF NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
DEC 11 1926
DIVISION OF WESTERN EUROPEAN AFFAIRS

NEAR EASTERN BUREAU
DEC 9 1926

I have the honor to transmit herewith an extract from the weekly periodical "EAST AFRICA" of September 23, 1926, entitled "Abyssinia at the Crossroads". This article touches numerous points taken up in previous reports from this office, and it also contains constructive suggestions with regard to the development of Abyssinia. The point of particular interest is the apparent feasibility of appointing foreign administrators in various agricultural commercial and other activities calculated to form a sound basis for national growth.

I have just learned from a senior military officer in Aden who has just returned from a short leave spent in Abyssinia, of Ras Tafari's assurances to him regarding his desire to obtain expert advice and assistance. His Highness told this gentleman that he would rather have English and American advisers than any other nationality, but that since Great Britain has such large territorial interests around Abyssinia and, since international competition and jealousy is so rampant in Abyssinia among the

European

European Powers represented there, His Highness is debarred from exercising a free choice of expert assistance from any one of the European nations. For example, if the Ethiopian Government were to select a British adviser or administrator of any new project, to be conducted under Ethiopian auspices, the French, the Italians and probably others would insist upon having representatives from their own country.

Reference is made to the copy of a letter 741.65/43
from Ras Tafari, submitted under my despatch No. 196 of this date, in which, among other things His Higness again refers to his previous request for an American Administrator for a new commercial and agricultural project which has for sometime been contemplated. The original request of His Highness was forwarded to the 884.61/-
Department under my despatch No. 94 of November 19, 1925. Ras Tafari's new reference to this matter, quoted under despatch No. 196 is repeated here for the Department's convenience:

"On a previous occasion we had sent you a request in connection with an agricultural and commercial enterprise, that an administrator for this work might be sent from America, and that you be kind enough to send us a favorable reply regarding the coming to Ethiopia of the person concerned. We have, it is presumed, the satisfaction of knowing ~~that~~ that when you go to America, you will be able to take some action in that matter and be good enough to help us to this end."

Previous

Previous references have been made regarding Ras Tafari's difficult position with respect to the powers represented at his court and it would seem that none of these powers, jealous as they are of one another, could take exception to the appointment of ~~an~~ American advisers.

The comparison in the enclosed extract of Abyssinia with Siam is of interest, although it is possible that the existing circumstances do not correspond. This office would be interested to know how nearly they do correspond, but it is not at this time prepared to offer any comment in that connection.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park

American Vice Consul.

Enclosure:

Extract from "East Africa".

Copies to:
Embassy, London
Legation, Athens
Consulate, Bangkok.

File No. 800.

Enclosure No.

EXTRAXT FROM "EAST AFRICA" of September 23, 1926.

ABYSSINIA AT THE CROSS ROADS.

In a most interesting article contributed to the "Morning Post" an anonymous correspondent -- at whose identity some of our readers might make a pretty shrewd guess -- says:

"The Abyssinian people have a Regent who desires progress and reform, and an Empress who helps him not at all; a group of powerful semi-feudal nobles and an enormous, ignorant, bigoted priesthood, who between them sap the wealth of the country, and to whom any change is anathema, for, as they truly say, change means an end to their privileged and intolerable position. They have a vast army of slaves, and great provinces populated by serfs, on which the whole social fabric of the country rests.

"They have 3,000 miles of land frontier, low-lying and unhealthy for the most part, whence raiders descend into foreign territory in search of cattle, ivory, or slaves. The Central Government, conducted against all these difficulties by the Regent, lacks the power, the knowledge, the experience, and, above all, the financial resources to enable it to impose its will on the country as a whole -- an area of 350,000 square miles, populated by a dozen different races and their branches, speaking seventy different languages.

"It

"It is impossible to contemplate that Abyssinia should be able to remain in its present condition. No country can exist in these days as a separate and independent entity, and take its stand among the modernized nations of the world, unless it is prepared to develop along modern lines. And this is especially true in the case of Abyssinia, possessing as she does commercial, agricultural, mineral, and hydraulic resources hidden away, of no use to herself or any one else, in the midst of a world which she claims to enter as an equal, and which is crying out for the development in the general interest of every supply and resource of every kind.

"Financial reform, the first essential, will involve many administrative changes, inter alia, the payment of salaries to provincial governors and officials, so that the provincial revenues shall reach the State coffers in lieu of remaining in the pockets of those who collect them. Control of receipts and expenditure must be established, a budget framed, a civil list fixed; taxation must be established on a proper basis.

"To allow the people to develop adequately the resources of the land (cotton, coffee, cattle, agricultural products, etc.) the system of serfdom must be abolished -- not a really difficult problem. The much more difficult problem of domestic slavery must be approached; education must be introduced, and foreign enterprise encouraged under suitable safeguards for the country's interests.

"These

"These are only some of the principal tasks which await the hand of the administrator; it is perfectly obvious that they could only be successfully executed by a strong government, aided by the best European advisers who could be obtained.

"Fortunately, an actual example is available on which action in Abyssinia might be modelled. Thirty or forty years ago the condition of Siam was little better than that obtaining in Abyssinia today. Financial and administrative chaos existed, slavery and corruption were rampant, France and England were on her bordersm and it looked as though the days of Siamese independence were numbered. Yet she took to herself a number of able and experienced European administrative advisers, and by carrying out their advice in creating an administration and reforming abuses, she has placed herself on a par with the most enlightened countries, whether viewed from the position of finance, commerce, education, transport facilities, or municipal development. And her independence is a permanently assured fact."

----oOo----

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

FILE

Dr. Lambie states that the agricultural experts have failed in the work for which he was hired. Tafari desires an American expert. NO ACTION should be taken in this matter until we have a report from Addis Ababa in a position to report fully with respect to the exact nature of the work.

Index Bureau
RECEIVED
DEC 11 1926
Dep't. of State

November 17, 1926

MR. SHAW:

On page 2 of the attached despatch Vice Consul Parks quotes a letter addressed to him by Ras Tafari regarding the desire of the Ras to engage an American citizen as director of an agricultural development company. As I understand the information contained in the file, the duty of the director would be to develop agricultural products on the land belonging to the company and to establish or improve the methods of marketing the products. Because of the rather primitive banking methods in the country the company would apparently be required to handle most of its own funds.

According to page 4 of a despatch No. 98, dated December 7, 1925 from Aden, the company has been in operation for a period of fifteen years. It is therefore not a new undertaking but rather an effort to improve the efficiency of an already existing company.

Should you consider it desirable the information available in the Department regarding the position of director of this company in Abyssinia might informally be brought to the attention of qualified American citizens.

INDEX BUREAU
FILED
DEC 11 1926

I

I have in mind two men whom I think are qualified to handle this work. Both of them have had broad education and excellent experience. I am attaching statements regarding their education and experience for your consideration.

In case you should consider it desirable the Department's information could be brought to their attention and the men might be requested to state the conditions under which they would be willing to accept the position. If these conditions should appear reasonable to the Department information regarding the men and regarding the conditions under which they would be willing to accept the position in Abyssinia might be forwarded to the American Consulate at Aden with instruction that the material be transmitted to Ras Tafari. I am inclined to feel that if the Ras should choose either one of these men he would have a very capable administrator and this Department would have reason to be pleased at having assisted in the matter.

KC

NE-KC:VT.

DOCUMENT FILE

NOTE

SEE 125.0084/43 FOR #259

FROM Aden (Park) DATED August 2, 1927
NAME

TO

REGARDING: American representation in Ethiopia; further correspondence with the Regent. Question of adviser for "Society for the Development of Agriculture and Commerce".

INDEX BUREAU
884.61/3

1—1127 GPO

260.

Adam, Arabia, August 2, 1927.

SUBJECT:

American Representation in Ethiopia:

Further Correspondence with the Regent.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to transmit herewith copies of an additional exchange of letters between His Imperial Highness, Ras Tafari Makonnen, and this office, regarding American official representation at Addis Ababa and the question, apparently closed for the present, of less official American representation, in the form of an adviser and organizer for the Ethiopian-controlled "Society for the Development of Agriculture and Commerce," the request for which was referred to in despatches Nos. 94 of November 19 and 98 of December 7, 1926.

The enclosed letter of May 26, 1927, from this office was intended mainly to secure His Highness' of the safe receipt and dispatch of his two sealed letters to the President.

The name and nationality of the company engaged to assist the operations of the "Society for the Development of Commerce and Agriculture" has not yet been learned. Inquiries will be made at the earliest opportunity to discover its nature and the precise character of the work it has undertaken.

I have the honor to be, Sir,

Your obedient servant,

Enclosures:
To His Imperial Highness Ras Tafari, May 26, 1927.
From His Imperial Highness, 25 Sanie (July 2, 1927)

James Lester Park
American Vice Consul.

File No. 700

(COPY)

Enclosure No. 1.

AMERICAN CONSULATE

Aden, Arabia, May 26, 1927.

To His Imperial Highness,

Ras Tafari Makonnen,

Regent of the Empire and

Heir to the Throne of Ethiopia,

Addis Ababa.

Highness:

It is with distinct pleasure that I acknowledge the receipt of your Highness's letter of 22 Hamle 1919 (April 30, 1927), graciously expressing your Highness's friendly feelings towards my unworthy self, enclosing two sealed envelopes addressed to the President of the United States, Mr. Calvin Coolidge, together with office copies of these letters, and stating that in the event the building considered by Mr. Ralph J. Totten should be decided upon when an American representative is assigned to Addis Ababa, it will be necessary to advise your Highness.

And it was with equal pleasure that I forwarded your Highness's communications to the President, who I am sure will be pleased to receive your Highness's expression of friendship to him personally and to the people of the United States as a whole.

With regard to my previous references to Mr. Twitchell, and your Highness's reply thereto, I may say that it is gratifying to learn that after having waited so patiently, Your Highness has been able at length to come to an understanding with a company which is in a position not only to operate and advise the Society for the Development of Agriculture and Commerce, but also to give its finan and material

support

support to this most worthy institution. Kindly accept my congratulations, Highness, and my profound good wishes for the success of this enterprise. This is the soundest and most thoroughly business-like method of approaching the vast potential wealth of Ethiopia and of improving the condition of its great people. I fully realized that Mr. Twitchell, as a lone worker, without capital, would not be exactly suitable for the particular work your Highness had in mind. My purpose was merely to direct to the attention of your Highness all the possibilities which came to my attention for the good of your country. I am very glad that a satisfactory arrangement has at last been made, although I regret that I have been of so little service to your Highness in this connection.

In connection with the building selected as a possible American Mission quarters by Mr. Totten, your Highness's suggestion has been transmitted to the Secretary of State, who was previously informed of the desirability of this building, in Mr. Totten's report. In fact, it seems to be the only very suitable building at present available. Personally, I do not exactly remember the house, but from Mr. Totten's description, it is highly desirable in every way. And naturally, one of its highest qualifications is its situation near to your Highness's Palace. It will also place the Legation near to the busy city markets and in convenient relations with all outlying points.

I wish to thank you, Highness, very sincerely, for the exceedingly kind and gracious sentiments expressed in your letter to me, as well as for the privilege of forwarding your two communications to President Coolidge.

Kindly

Kindly accept, Highness, the renewed assurances of my very deep friendship.

Signed by: James Loder Park
American Vice Consul.

File No. 700

Enclosure No. 1

TRANSLATION

(From original French version of original Amharic)

Addis Ababa 25 Sanie 1919.

(July 2, 1927)

S. 4.

No. 182.

Mr. Lesley Funk
Consul of the United States of America, Adm.

Dear Sir:

We have pleasure in acknowledging the safe receipt of your good letter dated May 26 last and we thank you sincerely for having been explicit as to format our two letters addressed to His Excellency, President Calvin Coolidge.

One of these letters concerned yourself, and we have the firm conviction that President Coolidge will give ear to our desire.

As we had previously informed you, with regard to the affairs of the "Society for the Development of Commerce and Agriculture", we have come to an understanding with a Company which has undertaken to improve and develop the business of the said Company.

Further, as discussed in our conversation with Mr. Tolton, the building allotted for the representative of the United States of America will be completed in accordance with our instructions to its proprietor, so that, upon the arrival of the envoy, it will be quite ready.

Accept, Sir, the assurance of our high consideration.

(Signed) Tafari Makonnen,
Regent of the Empire, Heir to the Throne of Ethiopia.

DOCUMENT FILE

NOTE

IND.,M BUREAU
884.6114

SEE 884.4061-Agricultural Museum/1 FOR Desp.#157

FROM Abyssinia (Southard) DATED Mar.4,1929.
TO NAME

REGARDING: Request of Ethiopian Government for exhibits for the Ethiopian Agricultural Museum.

hm

DOCUMENT FILE

NOTE

INDEX BUREAU
884.6113

SEE 884.6461/1 FOR Telegram from

FROM Paris (Skinner) DATED May 13, 1925
T/Rex NAME

REGARDING:

American engineer skilled in hydraulic construction desired by Regent of Ethiopia. Proposed work is dam of Lake Sana head of Blue Nile for irrigation purposes.

Copy attached.
Fd/

GRAY

Paris

Dated May 13, 1925.

Rec'd 11:21 am.

Secretary of State,

Washington.

May 13, 11 am.

Department's May 11, 3 pm. Representative of Ethiopian Government does not know what salary is necessary and would appreciate information as to approximate salary for competent engineer. Proposed work is dam of Lake Sana head of Blue Nile for irrigation purposes.

SKINNER

WSB

DOCUMENT FILE

NOTE

INDEX BUREAU
841.6113/2

SEE 741.65/17 FOR despatch #1138

FROM Great Britain (Sterling) DATED June 29,1926
NAME

1—1127 G P O

REGARDING: Treaty between United Kingdom and Italy respecting Lake Tsana, Rome -December 1925, use of waters of Blue Nile for irrigation purposes in the Sudan.

leb

DOCUMENT FILE

NOTE

INDEX BUREAU
884.77/1138

SEE 884.77/1 FOR #1146

FROM Paris (Skinner) DATED April 8, 1926

NAME

1—1127 G P O

REGARDING:

British control of the waters of the Blue Nile, by means of system of dams and irrigation streams.

fd/

DOCUMENT FILE

NOTE

INDEX BUREAU
884.6113
4

SEE 014.006 Davis, C. Adolph FOR letter

FROM Cecil F. Elmes Organization (C.A.Davis) DATED Sept.25,1928
TO NAME

REGARDING: the irrigating of Abyssinia, and request for name of diplomatic representative of that country in the U.S.

1—1127 GPO

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

July 15th, 1929.

DEPARTMENT OF STATE
AUG 1 1929
DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
SEP 1 1929
WESTERN EUROPEAN AFFAIRS

ASSISTANT SECRETARY OF STATE
DEPARTMENT OF STATE
A-C/O
1929

New
884.6113- Wabi Shebeli

note
884.6461- Isaia Dam
865b.6113

FOR DISTRIBUTION -
I. C. A.
Embassy
Rome

No. 226.

INDEX BUREAU
884.6113- Wabi Shebeli/1

The Honorable

The Secretary of State,

Washington.

Copy Transmitted by The Commercial Office (A-C/O)
To Rome
9/12/29
CB

Sir:

I have the honor to make the following preliminary reference to a new and possibly important Italian enterprise related to Ethiopia.

765.84 11/15

In the Legation's No. 84 of October 26th, 1928, report was made of the departure from Addis Ababa for an overland trip to Italian Somaliland of an expedition headed by the Italian Duke of the Abruzzi. This expedition has since explored the Wabi Shebeli river from its source southeast of Addis Ababa on into Italian Somaliland where the river dwindles down to the Indian Ocean.

FILED
SEP 13 1929 G

The

The Duke's exploration party was under Italian official auspices and carried with it various official meteorologists, cartographers, etc., etc. The expedition reached Italian Somaliland in February of this year after a journey of a hundred days and fifteen hundred kilometers. A published report has been intimated. As this report has not yet reached Addis Ababa the Legation has decided not to wait longer before submitting this preliminary comment, upon which a latter and more detailed despatch may be based.

The Legation has been moved particularly to action at the present time by having just learned confidentially that the local Italian Legation has, by instruction from Rome, made tentative inquiries of the Ethiopians as to the possibility of procuring either a concession or a contract for irrigation control works along the course of the Wabi Shebeli in Ethiopia which would permit distribution and delivery of its water in Italian Somaliland for the aid of agricultural projects. The particular project in mind is the Societa Agricola Italo-Somala originated by the Duke of the Abruzzi. It is thought likely that the Ethiopians would grant a concession for the Wabi Shebeli area, which is conquered Moslem territory and not of particular sentimental interest to them, should the Italians come through with the usual financial induce-

ments

ments for which they are alleged lately to have set a fast pace in Ethiopia.

The Wabi Shebeli is one of the most important of the few Ethiopian rivers when considered from the viewpoint of periodical volume of flow and the potentially large area subject to its waters. The source of the river has been placed in a part of the rich Province of Sidamo where rain falls practically from the middle of February until December of each year, as compared with the regular rainy season from about the middle of June until the middle of September over most of the Ethiopian plateau. This plentiful rainfall contributes to the considerable volume of water carried during most of the year by the Wabi Shebeli, but of which much is absorbed by the desert lowlands of Ethiopia and of Italian Somaliland en route to the Indian Ocean. The river flows through undeveloped and little known country and no systematic or engineering effort has ever been made to conserve and use its waters in Ethiopia. For the extensive agricultural effort on the semi-desert Italian Somaliland side, however, there could be developed great irrigation by conserving and controlling the river waters before they finally leave the Ethiopian highlands. The well known activities of the Duke of the Abruzzi in developing agriculture in the Somaliland colony have been made difficult by the lack of water; hence his very direct interest in

the

the Wabi Shebeli.

Not only would the Duke's particular projects be benefitted by control of this river but a vast area of the Somaliland coastal plain would conceivably be prepared for Italian colonization. The Legation understands that there is much available cotton land which requires only the water now wasted during the flood periods of the Wabi Shebeli.

Incidentally, Italian interest in favor of the granting of the Lake Tsana project to the White Engineering Corporation may reasonably be accelerated now that they have their own similar project in the shape of the proposed Wabi Shebeli control. Italian influence could be of no direct value in facilitating the issuance of the Tsana contract but it may be accepted that they will now have less incentive to endeavor by means particularly their own to retard Ethiopian action with reference to Tsana. As the Legation interprets local conditions the granting of the Tsana contract in Anglo-American interest would be of immediate value to the Italians as argument for the Ethiopians to take reasonably prompt action in the Wabi Shebeli project. The Italians are assumed to realize this circumstance.

This preliminary report is all that is justified by the information so far available to or procurable

by

by the Legation. It is hoped that details for a more comprehensive report will develop before too long. The important point to record at this time is that the Italians are continuing here their energetic development of African colonial possibilities and have now in mind for the Wabi Shebeli what promises to be another very important and far reaching enterprise.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

AM RECD

INDEX BUREAU DEPT. OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia,

September 28th, 1929.

CONFIDENTIAL.

OCT 28 29

DEPARTMENT OF STATE
OCT 28 1929
DIVISION OF
FAR EASTERN AFFAIRS

NOV 1 1929
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
ASSISTANT SECRETARY
NOV 2 - 1929
A-C/O

DISTRIBUTION - C
To [illegible]
I.A.D.S.

Yes No
✓
✓

Embassy Rome

No. 272.

884.6113-Wabi Shebeli/2

The Honorable

The Secretary of State,

Washington.

Transmitted by the Commercial Office (A-C/O)
to Rome
11/4/29

884.6113-Wabi Shebeli/1

Sir:

I have the honor to refer to the Legation's No. 226 of July 15th, 1929, reporting Italian interest in the control of the Ethiopian river known as the Wabi Shebeli.

The Legation has learned confidentially from an Ethiopian source often found reliable that the local Italian Minister is endeavoring discreetly to ascertain King Tafari's views with reference to the possibility of negotiation of an Italo-Ethiopian treaty or agreement which would place the same restrictions upon works affecting the flow of the Wabi Shebeli as are placed by the Anglo-Ethiopian agreement of 1902 upon works affecting the flow of the Blue Nile, etc.

FILED
NOV 4 1929
E

It is not believed by this Legation that the Ethio-

pians

884.6113-Wabi Shebeli/1

Ethiopians would consider any such engagement, unless the Italians should offer an exceptionally attractive price, as they have found more than ordinarily irksome the restrictions established by the British in the agreement of 1902 in connection with the building of the proposed Blue Nile dam. The development herein reported does not, therefore, impress the Legation as important in its possibilities and seems worthy of record mainly as further indication of the aggressive and possessive policy of the Italians in Ethiopian economic development.

While my relations with my Italian colleague are quite friendly I have not asked him to confirm this new Italian activity. To do so might betray my Ethiopian source of information. Also the general attitude of the Italian Minister is to reply in either negative or evasive manner to questions of the kind from his colleagues. Italian activity here is aggressive but markedly secretive. The subject will, of course, be followed for any development of interest.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

ADDISON E. SOUTHARD.

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1 copy detached for Note

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Pol. file

CB

AM RECD

INDEX BUREAU DEPT. OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia,

September 28th, 1929.

CONFIDENTIAL.

OCT 28 29

DEPARTMENT OF STATE
OCT 28 1929
DIVISION OF FAR EASTERN AFFAIRS

NOV 1 1929
DIVISION OF WESTERN EUROPEAN AFFAIRS

ASSISTANT SECRETARY OF STATE
DEPARTMENT OF STATE
A-O/O

DISTRIBUTION — Yes No
To ... ✓
In U. S. ... ✓

Embassy Rome

No. 272.

The Honorable

The Secretary of State,

Washington.

Transmitted by the Commercial Office (A-O/O) to Rome 11/4/29

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It is not believed by this Legation that the Ethio-

pians

884.6113-Wab. Shebeli/2

884.811

884.6113-Wab. Shebeli/1

FILED
OCT 4 1929
E

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Your obedient servant,

Addison E. Southard

ADDISON E. SOUTHARD.

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DOCUMENT FILE

NOTE

884.6/12
INDEXED

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SEE 884.512/3 FOR # 274

FROM Abyssinia (Southard) DATED October 2, 1929.
TO NAME

1—1127

-~~REGARDING~~- enclosing translated copy of a governmental decree exempting the people of the country from certain taxes because of the damage to crops from a plague of locusts that has been ravaging the country during the past six months.

mb

Addis Ababa,
Ethiopia.

October 2nd, 1915.

No. 274.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith, as an interesting and significant illustration of Ethiopian official administration, copy of a lately issued governmental decree exempting the people of the country from certain taxes on account of the plague of locusts which has existed at times during the last six months and which has greatly damaged crops and the pasture lands necessary for the support of domestic animals.

Such exemptions are said to have been rare in the history of Ethiopia where the peasants or serfs have usually been oppressed by the feudal chieftains to the limit of their ability to pay taxes. King Tafari's

progressive

progressive and comparatively humanitarian inclinations are shown in this degree. It will probably be evaded by the Governors of some of the more remote provinces but it will in the end have a good effect and establish a valuable precedent. Much of the taxation imposed by the government outside of Addis Ababa and a few others of the important trading centers is collected in produce as the people have no money. This explains the references, frequently made in despatches from this office, to the poverty of the Ethiopian Government in actual cash resources. The absence of roads prevents the transport of produce to the export centers and the resulting exchange for cash. The constantly rising need of the government for cash is having a distinct effect upon the hastening of plans for interior road construction to facilitate the marketing and exchange of country produce for cash.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File 884.2.
AES/eld.

Enclosure with Despatch No. 274 of October 2nd, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia.

From HERHANENA SALAM, Year V, No. 39, September 26th, 1929.

NOTICE.

Our Creator is not cruel when beseeched. Therefore in order that God may, by His Generosity, avert the locust plague, let those who live near the churches pray in the churches and those who live far from churches pray in front of their houses.

Let all those who are waiting for judgment before the courts return to their homes and gather in their harvests until the First of Tahsas (December 10th, 1929). As it is proper that we should be merciful to those who seek mercy, we have exempted all those who owe judicial fees, bets and fines up to the 18th day of Maskaram (September 28nd, 1929). Therefore all the Governors should do likewise.

In order that the poor may gather in their harvest and in order that the regions devastated by locusts may not be completely exterminated, we have enacted that during this present year of 1922 (1929) only one half of the judicial fees and bets shall be charged.

Those who are taxable in honey should pay in honey when it is available; otherwise the poor shall pay one dollar instead of one horn. All those taxable in wethers shall pay in wethers when they have such; otherwise they shall be held to pay MT$4 instead. All those who pay in their taxes by grinding flour shall grind only half of the regular quantity of grain ground and transported, and transport the other half whole.

Further, beginning in 1919 (1926-27) all those who in the lowlands closed their homes and migrated, completely abandoning their lands, on account of drought, frost, locusts, and need because of the failure of crops, may return and cultivate their lands enjoying exemption from the taxes due in the past and, moreover, two years time is granted them to reconstruct their homes and crops.

Maskaram 11th, 1922 (September 21st, 1929).

RECD

297121

VOLUNTARY REPORT.

DEPARTMENT OF STATE
JAN 2
DIVISION OF
NEAR EASTERN AFFAIRS

JAN 2 29

Post A

Copy hereafter has been sent to Commerce
A copy has also been sent to Agriculture
and to
JAN 4 - 1929
AN

DEPARTMENT OF STATE
JAN 1929
ASSISTANT SECRETARY OF STATE

FILED
JAN 7 1929

THE ETHIOPIAN TOBACCO MONOPOLY.

Minister and Consul General .....
(Addison E. Southard).

Addis Ababa, Ethiopia. Date Prepared: Nov. 24th, 1928.

Date Mailed: Nov. 27th, 1928.

----oOo----

Tobacco trade and production in all its branches in Ethiopia is controlled by private monopoly valid until 1959.

History of the Monopoly.

The tobacco monopoly was first issued in 1906 by the Emperor Menelek to a partnership consisting of a Circassian and an Albanian. When after three years these concessionaires failed to get the business into practical operation the monopoly was reissued in 1909 to an Armenian firm of which Matig Kevorkoff, French citizen,

citizen, was the main power. He continues to operate the monopoly, which is for a term of fifty years from 1909. The present holder of the concession is understood to have paid outright the sum of MT$50,000 (MT$ 1.00 = US$0.48) for it, and to have incurred additional expenses bringing the total cost up to about MT$87,000.

Business Not Large.

The tobacco business in Ethiopia has fallen far short of the expectations of the present holders of the monopoly. The ruling class of Ethiopians, who are Christians, rarely smoke. The habit has never conquered certain religious or related prejudices and about the only Christian Ethiopians who smoke are the very few who have sojourned abroad. Even these smoke but little when in Ethiopia as they fear to incur the displeasure of the rulers and more eminent members of the Ethiopian state and church hierarchy. The Mohammedan elements of the Ethiopian population are the main consumers of tobacco and tobacco products. Their total consumption, mainly snuff and cheap cigarettes, is not great. A few thousand cigars are imported annually for the use of aliens. Importations of good cigarettes are also small. The holder of the monopoly makes practically all importations and the actual figures are kept confidential.

Local Production.

The monopoly has two small and simply equipped

factories

factories in which are made mainly cheap cigarettes and snuff. The raw material is imported. Very little tobacco is grown in Ethiopia although effort has been made to increase production. Owing to the long seated prejudice against tobacco and its use the peasant farmers do not take to cultivation of this particular crop. Further, such tobacco as they do or could produce must be sold at minimum prices to the monopoly interests should the latter desire it. There is otherwise little local market and, because of its mediocre quality, there is little prospect of building up an export trade.

Official Effort to Augment the Business.

The monopoly interests pay a fixed sum to the Government as royalty, but the Government also would receive an additional percentage if the business should ever develop beyond a certain volume. The payment which the Government receives is kept confidential and is not available for the purposes of this report. In addition to the royalties received the Government also benefits by customs duties on imported tobacco and by a tax on such exports as may be developed. With a view to increasing the business and otherwise stimulating it the Government has recently promulgated new regulations for the administration of the monopoly. Copy of these new regulations, translated from the Amharic, is enclosed herewith.

Opportunities for Foreign Tobacco Traders.

Article 21 of Section V of these Regulations lists the duties, including the monopoly tax which is intentionally concealed as to proportion, to be levied on imported tobaccos and tobacco products. These duties are stated in the local dollar written MT$1.00 which is equal to approximately US$0.48 at present. The value rises on occasion to a half American dollar, or more. These high duties, including tax, practically force all tobacco business into the hands of the monopoly and effectively keep out the entry of independent traders into the business. The monopoly interests buy both raw and finished products in Egyptian and other Levantine territories, and in India. Through arrangements with compatriots, and by the use of the lower qualities, they buy at prices far below possibility of competition by American sources of supply. The total annual business in Ethiopia is kept secret by the monopoly but it is estimated at less than fifty thousand American dollars spent mainly for cheap cigarettes and snuff. As the social and economic modernization of Ethiopia progresses the business will become greater. But with the firm hold of the monopoly there is little reliable opinion that the market will, for many years at least, be of other than theoretical interest to the American grower or manufacturer of tobacco.

-----oOo-----

1 Enclosure.

SOURCE OF INFORMATION: Personal investigation among local traders.

Enclosure to Voluntary Report of Addison E. Southard,
American Consul General at Addis Ababa,
Ethiopia, dated November 24th,
1928.

(SEAL OF HER MAJESTY THE EMPRESS).

---oOo---

REGULATIONS ISSUED FOR THE APPLICATION OF THE TOBACCO REGIE ADMINISTRATION ESTABLISHED BY THE ETHIOPIAN GOVERNMENT.

---oOo---

SECTION I.

The Organization of the Administration.

Article I.

The principal concessionaire of the Regie, the Matig Kevorkoff Company, is required to establish provincial offices in suitable places near the districts where tobacco is cultivated in large quantities.

The Company when establishing these offices shall notify the Ministry of Agriculture, defining exactly all the provinces included within the scope of each.

Article 2.

The provincial offices will have the following powers:

(1) The grant to farmers of permission to plant tobacco.
(2) Distribution of seeds to farmers.
(3) Purchase and sale of tobacco.
(4) Delivery of permits for the sale and for the transport of raw and manufactured tobacco.
(5) Require and assist traders to purchase tobacco from the Regie and sell it.

SECTION II.

The Cultivation of Tobacco.

Article 3.

All persons who desire to cultivate tobacco must apply either to the head office of the Regie in Addis Ababa or to the provincial offices. Upon the grant of the permission they will pay half a thaler (i.e., MT$ 0.50) yearly for each hundred square meters. The Regie, on delivering the permit, shall write down clearly the name of the grantee and the size and condition of the land.

Article

Article 4.

If the person receiving a permit does not cultivate the land, he must endorse the permit, by name, to a substitute properly designated to replace him on the land provided for in the permit. Farmers must carefully preserve their permits and be ready at all times to produce them promptly upon demand.

Article 5.

The principal concessionaire of the Regie shall import yearly 30 kilograms of tobacco seeds, and after submitting these to the Ministry of Agriculture for examination, he may distribute them among the farmers free of charge. Furthermore, he may give prizes to those farmers who have done well, to encourage them in their work. The concessionaire of the Regie shall keep two agents capable of teaching the farmers the proper cultivation of tobacco. These agents shall distribute to the cultivators of tobacco, free of charge, notices in Amharic explaining the planting and the cutting of tobacco.

Article 6.

During the tobacco harvest season farmers shall take their tobacco to the Regie office in their vicinity and sell it at the local price after due agreement with the officials of the Regie. If the farmers and the officials of the Regie disagree as to the price, the Ministry of Agriculture shall adjust it, taking into consideration the local prevailing rates.

Article 7.

If after buying all the tobacco necessary the Regie refuses to buy the tobacco offered by the farmers, it shall freely grant them permission to sell their tobacco as they please. Nevertheless, even after they have obtained such full permission to sell their tobacco and if there is a Regie store at the place where they propose to sell, they shall first offer the tobacco to the Regie, which still has the option of buying it according to the local price after due agreement. Only after the local Regie store refuses to buy may they sell where and to whom they wish.

Article 8.

Persons who have not shown their tobacco to the Regie and obtained the permission prescribed, cannot sell their tobacco in the open market.

Article 9.

When presenting the tobacco at the provincial offices, the farmers may keep the tobacco necessary for their own and their family's use at the rate of one farasula per person. They shall sell the remainder to the Regie. If they are found selling the tobacco reserved for themselves without the permission of the Regie, they shall pay to the Government a fine of MT$5 for each kilogram and the tobacco shall be confiscated by the Regie without payment.

Article 10.

Persons who have planted tobacco without the permission of the Regie shall pay 0.25 thaler (i.e., MT$ 0.25) for each plant and the tobacco shall be confiscated by the Regie without payment. The planting permit must be renewed yearly. Persons who are found selling tobacco without the permission of the concessionaire of the Regie shall pay to the Government a fine of ten thalers (i.e., MT$10.00) per kilogram and shall have the tobacco confiscated by the Regie without payment.

Article 11.

The officials of the Ministry of Agriculture in each province, upon receipt of the notice of the appropriate official of the Regie, are held to punish and fine in accordance with the regulations and in proportion to their infringements all persons violating the law. They shall deliver to the district's provincial office free of charge all the tobacco confiscated.

Article 12.

If the officials of the principal concessionaire of the Regie discover any case of violation of its regulations, and if, after having notified the officers of the Ministry of Agriculture, these fail to do everything in their power and fail to collect the fine, the principal concessionaire of the Regie shall present his claims against these officers of the Ministry of Agriculture and Industry. If they are found guilty or to have been in association with the offenders, the Ministry of Agriculture and Industry shall punish them. Likewise, if the officials of the Regie trespass on these regulations and are found guilty the Ministry of Agriculture and Industry shall punish them in proportion to their offences. But in order that the Regie

may

may not suffer on account of these penalized officials, the officers of the Ministry of Agriculture shall give notice of their offences and punishments in written form, without delay, to the principal official of the Regie in that province.

SECTION III.

Tobacco Machinery and the Manufacture of Cigars, Cigarettes and Cigarette Paper.

Article 13.

The principal concessionaire of the Regie can alone prepare tobacco and manufacture cigars, cigarettes and cigarette paper.

Article 14.

When first a new quality of tobacco, cigar or cigarette is produced by the factory, a sample of the new product shall be deposited at the Ministry of Agriculture. It shall be sold in a quality identical with that deposited at the Ministry of Agriculture, and on the package a label must be affixed, indicating in detail the date of manufacture and the name and location of the factory.

Article 15.

Persons desiring to establish tobacco factories in Ethiopia or any machinery for the manufacture of cigars, cigarettes and cigarette paper can do so only by previous agreement. They must obtain a written permit from the principal concessionaire of the Regie.

Article 16.

Persons who are found manufacturing and preparing cigars, cigarettes and cigarette paper by machinery without permission shall pay a fine to the Government of from one thousand to ten thousand Maria Theresa dollars (i.e., MT$1,000 to 10,000) and their instruments shall be confiscated and handed over to the Regie without compensation.

SECTION IV.

The Transportation of Tobacco from One District to the Other.

Article 17.

It is necessary to ontain permission from the office of the Regie to transport tobacco, cigars and cigarettes not bearing the special wrapping of the Regie.

Article

Article 18.

All persons found transporting tobacco from one district to the other shall pay the Government a fine of MT$5 per kilogram. The tobacco shall be confiscated by the Regie without payment.

Article 19.

All imported tobacco, unmanufactured or manufactured, and cigarette paper, upon which the customs duties have been duly paid, may circulate freely throughout the country, providing the packages bear the control band of the Regie. Furthermore, the Regie, when transporting Ethiopian tobacco from one district to another, shall be immune from duty. This immunity shall be guaranteed by a Regie permit.

SECTION V.

The Import and Sale of Foreign Tobacco.

Article 20.

The principal concessionaire of the Tobacco Regie can import into Ethiopia from foreign countries raw or manufactured tobacco, cigars, cigarettes and cigarette paper. No one is allowed to import without the permission of the Regie. If any one is found importing cigarette paper he will pay a fine of 10 thalers (i.e., MT$10.00) per kilogram and the cigarette paper will be confiscated and given over to the Regie without compensation to the offender.

Article 21.

Tobacco imported from abroad with the permission of the Regie shall pay customs duties and a special Regie tax. A control band shall be affixed as a sign of the receipt of the special Regie tax on tobacco imported from abroad. The sum total of the special Regie tax and the customs duties to be paid by importers of tobacco, with the permission of the Regie, is listed as follows:

Fine Havana cigars	per kilogram	MT$30.00
Other cigars	" "	MT$10.00
Levant cigarettes	" "	MT$ 8.00
Other cigarettes	" "	MT$ 6.00
Levant rolling tobacco	" "	MT$ 5.00
Other tobacco	" "	MT$ 4.00
Snuffing & chewing tobacco	" "	MT$ 3.00

Article 22.

Imported tobacco sold without bearing the special control band of the Regie shall be confiscated and given over to the Company without compensation. The owner of this tobacco shall pay the Government a fine of MT$10.00 per kilogram or per fraction thereof.

Article 23.

Travelers entering Ethiopia from abroad are permitted to import free of duty 100 cigarettes or 25 cigars or 100 grams of tobacco with cigarette paper sufficient for 100 cigarettes. It is understood that this allowance is for their personal use. Travelers must display to custom house officials the total quantity of tobacco in their baggage. For any surplus tobacco above the quantity allowed they shall pay customs duties according to the price. They must also pay the Regie control band tax. After payment of duty for the tobacco above the quantity allowed, the Regie shall affix control bands free of charge on the tobacco that is allowed to pass free of duty.

Article 24.

If persons secretly import tobacco from abroad and make false declarations, their tobacco will be confiscated and they will pay the Government a fine of MT$10.00 per kilogram or fraction thereof.

SECTION VI.

The Export of Ethiopian Tobacco.

Article 25.

The principal concessionaire of the Regie can export to foreign countries raw or manufactured Ethiopian tobacco. He must inform the Ministry of Agriculture of every such shipment, specifying quantity and destination.

Article 26.

The principal concessionaire may export, free of duty, 100,000 kilograms per annum. For any exports by him exceeding this quantity, he shall pay 5% ad valorem for raw tobacco and 2% for manufactured cigars and cigarettes. The basis of calculation for these charges will be the current market prices.

SECTION

SECTION VII.

The Sale of Ethiopian Tobacco Within the Country.

Article 27.

The principal concessionaire may sell, wholesale or retail, all manufactured tobacco in his stores as well as in the provincial offices. For the distribution of the manufactured tobacco he may conclude agreements with merchants. In all places where the Regie sells tobacco, it is at all times incumbent upon the Regie to maintain ample stocks of all kinds of tobacco. In the public interest there should be a shortage at no time.

Article 28.

The Regie, when distributing tobacco of its own manufacture to dealers, shall see that they sell it at a fixed price. Any person found selling Regie tobacco at more than the fixed price shall pay the Government a fine of from MT$10.00 to 50.00. Furthermore, persons buying tobacco from the Regie for sale, who decrease, change or otherwise mutilate it, shall be liable to a fine of from MT$50.00 to 100.00. All dealers shall sell tobacco as they buy it, without diminishing or otherwise altering it.

Article 29.

Persons hiding tobacco and secreting it in the house of another, shall pay a fine to the Government in proportion to their offences and the tobacco shall be confiscated and given over to the Regie without compensation to the offenders.

SECTION VIII.

Jurisdiction.

Article 30.

Violators of this law who have been punished according to these regulations can appeal to the Ministry of Agriculture within one to four months, according to the distance of the place, after the date of the violation of the regulations.

The

The Ministry of Agriculture shall be empowered to adjudicate such appeals.

Article 31.

If condemned violators do not appeal to the Ministry of Agriculture within the prescribed one to four months, their sentences remain automatically valid.

Article 32.

The Ministry of Agriculture is the guardian and the executor of this law.

----oOo----

Hamlé 1st, 1920, Year of Mercy. (July 8th, 1928).

(Sgd.) (Seal).

The Tsafi Tezaz. His Highness the Heir Apparent.

(Seal).

EMPIRE OF ETHIOPIA.

Ministry of Agriculture and Industry.

----oOo----

POSTUM COMPANY, INCORPORATED

POSTUM BUILDING

NEW YORK CITY

WILLIAM M. ROBBINS
ASSISTANT TO THE PRESIDENT

November 16, 1928.

Frederick T. F. Dumont, Chief
Consular Commercial Office
Department of State
Washington, D. C.

Dear Mr. Dumont:-

May I take this opportunity to thank you very cordially for your many kindnesses during my recent visit to Washington?

I shall report the details of my trip to my immediate superiors and if they agree we will shortly prepare and send to you in quadruplicate a general questionnaire covering the most pertinent points with reference to coffee in Abyssinia.

Incidentally, I called at the Government Printing Office and obtained Mr. Southard's special Consular report, No. 81, covering the commercial status of Abyssinia. This pamphlet is indeed very thorough and it is nice to know that Mr. Southard is still in Abyssinia and will help us further if we so desire.

Very truly yours,

WMcR: HM

FILED
NOV 20 1928

Dept. of State
NOV 17 1928
Index Bureau

DOCUMENT FILE

NOTE

SEE 884.00/149 FOR #138

FROM Abyssinia (Southard) DATED Feb.12,1929
TO NAME

REGARDING: proposed investigation of Abyssinian coffee supply by Colonel Francis T. Colby on behalf of the Postum Company.

INDEX BUREAU
884.6 1333/2

1—1127 GPO

Wh

Addis Ababa,
Ethiopia.

February 17th, 1930.

No. 188.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my Diplomatic Despatch No. 156 of February 9th, 1930, on the subject of trouble in southwestern Ethiopia between the Dejazmatch Desta Demtu and the Dejazmatch Tayé.

From reports now available it appears that the trouble has failed to reach serious proportions and that Desta Demtu has resumed his place in the province of Kaffa. The area described is, however, under present conditions always a place

place of potential trouble and the chain of events suggested in my previous despatch, No. 156, is always possible.

Disturbances in the Kaffa-Gimirra-Gore area could seriously affect the coffee trade of Ethiopia as large quantities of the product known to the trade as "Abyssinian" or "wild" coffee originate there and are shipped to outside markets from Gambela via the Sobat and White Nile to Khartoum. The matter of coffee supply in this area is about to be investigated by Colonel Francis T. Colby on behalf of the Postum Company. Colonel Colby's expedition was the subject of the Department's telegraphic instruction of December 20th, 6:00 p.m., 1926 to this office.

A considerable and complete number of official courtesies and permits for Colonel Colby have been obtained by this Legation and Consulate General. His equipment, including arms and ammunition, has come through with record speed. Also through our efforts he and his associate were received in audience by the King and have since been decorated by His Majesty. My Diplomatic colleagues were invited to meet him at luncheon at this Legation. He has been given use of Legation premises for the collection of his mules, storage of equipment, and preparation of his caravan. Much advice, assist-

ance

ance, and information of all sorts have been given.

I have the honor to be, Sir,

Your obedient servant,

ARTHUR M. SOUTHARD.

File No. 800
AMS/sid.

A true copy of the signed original.

NEW
848.62222
55

1928

To the American Minister Resident and Consul General,

Addis Ababa, Ethiopia.

The Secretary of State encloses a copy of a communication dated March 27, 1929, from the Acting Secretary of Agriculture, stating that the Bureau of Biological Survey, Department of Agriculture, is desirous of receiving reports containing information pertaining to Karakul sheep raising in Southwest Africa, together with other pertinent information regarding this industry in Africa.

The Minister Resident and Consul General is instructed to furnish, at his earliest opportunity, such information on this subject as may be available for transmission to the Department of Agriculture. The Minister Resident and Consul General's report should include information for Abyssinia and Eritrea, the French Somali Coast, British Somaliland and Italian Somalia.

848.6223

Enclosure:

From Department
of Agriculture,
March 27, 1929.

848a.62222/74

FA HLS:GMH 88
H.L.S.

CR
. 3. 1929

A true copy of
the signed original.

H.C.H.

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DEPARTMENT OF STATE
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811.84.6222/2

KARAKUL SHEEP RAISING IN SOUTHWEST AFRICA.

(Department's Memorandum Instruction, April 4th, 1929, File No. 848a.62222/74).

Minister & Consul General.

(Addison E. Southard)

Addis Ababa, Ethiopia. Date Begun, May 29th, 1929.

Date Completed, May 29th, 1929.

The Department's memorandum encloses a communication dated March 27th, 1929, from the Acting Secretary of Agriculture, stating that the Bureau of Biological Survey, Department of Agriculture, is desirous of receiving reports containing information pertaining to Karakul sheep raising in Southwest Africa, together with other pertinent information regarding the industry.

This office is instructed to provide information for "Abyssinia and Eritrea, the French Somali Coast, British

British Somaliland and Italian Somalia." It is respectfully suggested that these various areas are in Northeast Africa whereas the request from the Department of Agriculture specifically mentions Southwest Africa.

This Legation and Consulate General finds no information that Karakul sheep raising has ever been attempted in Abyssinia (Ethiopia?), Eritrea, the French Somali Coast (French Somaliland?), British Somaliland and Italian Somalia (Italian Somaliland?). The sheep raised in these specified areas are all of native stock which have value for their meat and skins rather than for the quite minor amount of wool or hair produced. The most valuable sheep in this part of northeast Africa is the so-called "black-tail" animal of which the skin is much in demand from American tanners.

------oOo------

DOCUMENT FILE

NOTE

New

SEE 884.4064/2 FOR #287

FROM Abyssinia (Southard) DATED Nov.4,1929

TO NAME

884.6231

REGARDING: Enclosing translation of a notice issued by Ministry of Agriculture and Industry which requires permits for hunting in Ethiopia. Big game in Ethipoia has become somewhat depleted.

kn

Addis Ababa,
Ethiopia.

November 4th, 1929.

No. 887.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to forward herewith translation of a notice issued by the Ethiopian Ministry of Agriculture and Industry which requires permits for hunting in Ethiopia.

Heretofore no actual hunting permits have been required. Presumably as a result of the lack of restriction there has been an increasing number of foreign hunters coming to this country. Game, particularly big game, has become pretty much depleted. The Ethiopians have become alarmed and are tightening up considerably as to the issuance of hunting permits. Quite a number

of

of American hunters have come to Ethiopia during recent years and they have killed a great many animals in the aggregate. This notice will, therefore, be of considerable interest to the American hunting expeditions which, it is assumed, will from time to time make inquiries in the Department as to hunting in Ethiopia.

The Ethiopians have also under consideration a schedule of fees which will have to be paid by those to whom hunting permits are finally issued. No official notice as to fees has yet been issued but the fees are considered in effect and the following have been obtained by the Legation informally from the Ethiopian Ministry of Agriculture and Industry: Elephants MT$250 each; buffaloes, MT$120 each; lions, MT$50 each; leopards, MT$30 each; antelopes, MT$5 each. No person or expedition will be given a permit for more than two elephants, four lions, four buffaloes, six leopards, or eight antelopes. The Legation may find it possible to obtain courtesy permits on occasion for visiting American hunters of notable official or other standing but no assurance can be given to that end.

American inquirers may be informed that actually Ethiopia is no longer a favorable place for hunting big game because so much has been slaughtered in recent years. Most of the wild animals of size remaining are far removed from Addis Ababa in the less accessible provincial areas.

I

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

1 Enclosure.

File 862.5/840.6/050.
AES/sid.

[illegible]

[illegible]

[illegible] Vol. L No.

OFFICIAL NOTICE.

EMPIRE OF ETHIOPIA.

MINISTRY OF AGRICULTURE AND INDUSTRY.

Beginning on Tekemt 10th, 1922 (October 20th, 1929), all those who desire to hunt any wild beast or birds, or to capture them alive for export from Ethiopia, must obtain a permit from the Ministry of Agriculture and Industry. It is hereby forbidden strictly to hunt or to capture any wild beasts without the required permit.

No. 344.

E.I. copy forwarded to M.I.D. 1-12-24

917

AMERICAN CONSULATE,

Aden, Arabia, November 26, 1919.

Office of Foreign Trade Advisor
DEC 31 1919
DEPARTMENT OF STATE

SUBJECT: Abyssinian Government Objects to Importation of Aeroplanes.

Not for publication.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to submit, as of possible interest to the Department, the following information relative to an attempt to take into Abyssinia three aeroplanes ostensibly for use in prospecting for mineral deposits.

For the past two years a French company of which the leading member is one Achille Bayard has been attempting to secure mining concessions in Abyssinia. More than a year ago an attempt was made to obtain a monopoly of mining in that country, and this Consulate is reliably informed that a prominent Abyssinian was paid one million francs to obtain this monopolistic concession for Bayard. He obtained the concession, but died in the influenza epidemic last fall before transferring it to the Achille Bayard interests. The French company has been able to obtain no satisfaction in its claim for this concession or for the million francs paid. During the present year the Abyssinian government, represented by Abyssinian officials generously subsidized by Achille Bayard, prepared another, but tentative, concession giving the desired monopoly. This concession has not yet been definitely given and the diplomatic representatives of the British

and

and Italian governments in Adis Abeba have protested against its issuance as incompatible with the provisions of treaties existing between Abyssinia on the one hand, and Britain, France, and Italy on the other.

Achille Bayard's representatives have in the meantime been prospecting in the country and, owing to the inaccessibility of many parts believed to contain mineral deposits, it was decided to bring in aeroplanes ostensibly for use in reaching these remote districts. Three aeroplanes and four aviators from France were recently landed in Djibouti. The British and Italian Legations have protested to the Abyssinian government against the importation of these aeroplanes and they have not been permitted to enter the country.

The British and ~~French~~ Italians are represented as having demanded that the importation of these planes be prohibited unless the Abyssinian government wishes to have a number of British and Italian planes brought immediately to Adis Abeba. This, of course, the Abyssinians would not like as it would give a great advantage to the furthering of what the Abyssinians suspect to be British and Italian designs upon their country. The reasons of the British and Italians for objecting to the bringing in of these French planes are not definitely known, but it is believed that their objections are really based, first, upon a belief that the French government is sending these planes in under guise of Achille Bayard's ownership and, second, that the employment of such methods of travel and prospecting by a French concessionaire would be against the interests of British and

Italian

Italian concessionaires.

At present the French aeroplanes and the aviators are held up in Djibouti while Achille Bayard is attempting to get permission to take them at least as far as Dire Dawa, on the frontier, if not to Adis Abeba as was originally intended.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 860.

N O T E

SEE 884.00/102 for tel #80 from Turkey, Am. High Commissioner Jan. 29, 1920 re

American Utopian Mine Corporation attempting obtain Harrar Concession in Abyssinia.

dg

INDEX
884.143

No. 95 March 25, 1920.

Addison E. Southard, Esquire,

American Consul,

Aden, Arabia.

Sir:

There is herewith enclosed a copy of a report from the American Trade Commissioner at Constantinople with reference to British activities in Abyssinia.

You are instructed to transmit any information regarding British activities of the nature described in this communication which you may be able to obtain.

You will note that Mr. Mears states that he is endeavoring to obtain further details regarding the particular case which is referred to in his communication, and if he is successful in this respect, the information obtained by him will be forwarded to you either direct or through the Department. On the receipt by the Department of such information, you will be instructed as to what action you should take in the matter.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR,

Enclosure:

Copy of letter
from Mr. Mears.

TA
a.c.m. JRS
FRF:MHM
TA

884.63/4

COPY

R.O.I.

Please return to
M.I.R.7.

AMERICAN EMBASSY

381

Constantinople, Turkey.
10 February, 1920.

Mr. Philip B. Kennedy,
Bureau of Foreign and Domestic Commerce,
United States Department of Commerce,
.Washington, D. C.

BRISISH ACTIVITIES IN ABYSSINIA.

Sir:

I have learned recently that British interests are active also in Abyssinia aside from practically all other parts of the Near East. An american mining company had secured mineral concessions in Abyssinia, and everything seemed to have been settled. A short time ago the crown prince, who had taken part in the granting of the original concession, informed this American company that this country would be obliged to annul the privilege which it had already granted. Naturally the American company expressed considerable surprise, especially since it is unusual to have any concession revoked in this manner, and they asked the reasons. After considerable questioning the crown prince stated that certain British interests did not look with favor on this grant and had been influential in persuading the local government to revoke this concession to this American firm.

I frankly have not at my command the name of the American company or further extenuating circumstances. My information was secured from one of the leading American Government officials in Turkey and it is my purpose to secure further data on this subject, if possible.

Very truly yours,

(Signed) Eliot G. Mears,

American Trade Commissioner.

INDEX BUREAU JUN 7 1920 DEPT OF STATE

Aug 6 FRF TA 11029
A 7 Copy to Commerce (Dr. Towles)
" " Geol. S.
" " Navy (MID.)
ACM 6/17/20.

No. 373.

CONSULAR BUREAU JUL 17 1920 DEPT OF STATE

AMERICAN CONSULATE.

11029 JUN 23 1920

Aden, Arabia, May 11, 1920.

SUBJECT: British Activities Against American Interests in Abyssinia.

Office of Territorial Affairs NOV 8 1920 FILE

~~CONFIDENTIAL.~~

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

~~CONFIDENTIAL~~

SIR: ~~Not for publication.~~

I have the honor to acknowledge receipt of the Department's instruction No. 95 of March 25, 1920, enclosing a report from the American Trade Commissioner at Constantinople with reference to the use of British influence at Adis Abeba to cause the withdrawal of a mining concession granted to American interests.

This Consulate does not know of any American company which has been interested in obtaining mining concessions in Abyssinia. It did hear that there has recently been in Adis Abeba an Armenian bearing an American passport and announcing himself as the Persian Consul General in New York. In support of an allegation that he and President Wilson are personal friends he is said to have exhibited a letter addressed to himself over what was alleged to be the signature of the President. This man's business in Abyssinia is reported to have been the securing of mining concessions, and it is understood that he made some handsome presents to the Abyssinian royal family in order to pave the way for securing concessions. He is also reported to have concluded a deal with

JUL 20 1920

884.63/16

with some Armenians living in Abyssinia who had concessions of sorts from the Abyssinian government. This man, whose name is understood to be Topokyan, has since left Abyssinia for a destination given out by him as New York.

This Consulate has heretofore had two correspondents in Adis Abeba upon whom it has depended for reliable news of happenings in Abyssinia. One of these correspondents has recently died and the other recently left for Europe. A considerable while ago steps were taken to secure the facts relative to Topokyan's activities in Abyssinia and also to confirm the name. No results have yet been obtained, but it is likely that something definite will come through at any time and further report will then be made to the Department.

This office understands that it is tentatively or informally charged with the exercise of consular jurisdiction in Abyssinia. Unless, however, the officer in charge at Aden is authorized to spend some time each year in Abyssinia it is difficult for him efficiently to keep in touch with affairs in that country and to afford to American interests that representation and protection which would seem desirable.

The report relative to this so-called Topokyan is the only information possessed by this Consulate relative to the attempt of any actual or purported American interests to obtain mining concessions in Abyssinia.

Investors with a sufficient knowledge to warrant risking their money in Abyssinian mining concessions

cessions know that many such concessions are very lightly regarded by the somewhat irresponsible central government of Abyssinia. A considerable number of the concessions held have been obtained from various Abyssinian officials by Armenians, Greeks, and other Levantines, whose methods both of obtaining and of trading in mining concessions involve chicanery of a greater or lesser degree. It is very easy for the head of the Abyssinian government to repudiate concessions not obtained directly from him by representing that the Abyssinian officials from whom the concessions were originally obtained were without authority to issue them. Owing to the lack of organization of the government he can and frequently does do this, particularly when an attractive price is offered by one who covets an existing concession. There are understood to exist some reliable and presumably irrevocable concessions obtained directly from the head of the government, but they are few in number and well known.

There has been during the past year, as referred to in this Consulate's various despatches, considerable activity in Abyssinia in the matter of mining concessions. A French company was and still is heavily interested and a British company known as the Abyssinian Development Syndicate, Limited, referred to in this Consulate's despatch No. 339 of November 11, 1919, has lately been especially active and is understood to have acquired great influence with the Abyssinian government through the distribution of generous "presents" to the Abyssinian officials

officials and the strong support of the British Legation. This company would probably resent any interference with its own plans, and it undoubtedly has the influence to move the Abyssinian government as it might see fit. The Abyssinian government is not difficult to influence if money is judiciously used and the support secured of the official representative of the national interested in the mining or other concessions desired. The French company referred to above, known as the interests of Achille Bayard of Paris, which is reported to have spent some millions of francs in bribes and other preliminary operations in Abyssinia is understood now to be in danger of being practically shut out through the influence of the British interests herein referred to. The same British interests possibly could and would block any American mining enterprise in the country, but whether or not they have actually done so is yet to be learned by this Consulate.

As intimated in this Consulate's despatches Nos. 267 and 268 of April 22 and 23, 1920, respectively, Britain, Italy, and France, are decidedly interested in controlling Abyssinia commercially if not politically. Commercial interests of all three countries have been particularly active in the country since the close of the war. The advantage has been with the British because they have had in all parts of the country many British officials reporting to and strengthening the influence of the British Legation at Adis Abeba. By every possible method likely to be of assistance pressure has been brought to bear on the central

Abyssinian

Abyssinian government and the various provincial governments to bring them under British influence.

By conceding certain interests to Italy in northern Abyssinia, which is a very rich part of the country, there has been no opposition to the British by Italian officials in Abyssinia. The French representatives have, however, strongly opposed the growing British influence but apparently with little success. There has at times been considerable feeling and British officials and merchants have in private conversation with the undersigned complained of the obstacles thrown in their way by the officials of French Somaliland, which colony is the gateway to Abyssinia and the head of the only railway to Adis Abeba. On the other hand French officials and merchants have also referred in conversations with the undersigned to what they term the pernicious activity of the British in attempting to prejudice the Abyssinians against the French. The whole situation appears to be a maze of intrigue from which no absolutely definite conclusion may yet be made, but which on the other hand gives reason for suspecting that there is a more or less definitely organized British plan to supersede the French influence in eastern and central Abyssinia and to block by fair means at least any other national interest which may tend to interfere with British commercial supremacy in that part of Abyssinia at present accessible to foreign trade exploitation.

Within the past eighteen months three newly organized British corporations, known respectively as

the

the Abyssinian Corporation, Limited, the Abyssinian Development Syndicate, Limited, and the Anglo-East African Trading Company, have been very active in Abyssinia and have apparently had the direct support of the British Legation in their dealings with the officials of the Abyssinian government. The undersigned has not been in Abyssinia for more than a year and has had to depend upon hearsay for much of the information given herein. He has, however, given only such hearsay information as he believes to be reasonably reliable when considered upon the basis of his own firsthand knowledge of Abyssinian affairs and the trend of commercial and political development in that country.

The undersigned was permitted, during his visit to Persia in 1918, to gain some firsthand knowledge of British methods which have resulted in the practical imposition of British control of Persian commercial development and much the same methods, adapted of course to the somewhat different circumstances, are being used to that end in Abyssinia. Furthermore, the recently appointed British Minister to Abyssinia is the Honorable E. L. Scott who was First Secretary of the British Legation at Teheran and is therefore quite capable of handling the Abyssinian situation as he assisted Sir Charles Marling to handle the Persian situation. Honorable E. L. Scott is understood at present to be doing British Consular work in Egypt.

This Consulate is frequently asked by British officials and merchants relative to the active extension of American commercial interests to Abyssinia which they

believe

believe to be indicated by the publication of Special Consular Report No. 81, prepared by this Consulate. Their interest in such possible extension is quite evident and the impression gained, without any definite statements to the effect having been made, is that any important extension of American commercial interests in Abyssinia would be met with opposition. It is the strong impression of the undersigned that British plans are based upon the control of northern and southern Abyssinian commercial development by Italy, and the control of the remainder of the country by themselves.

Rumors are heard from time to time that as soon as the British and Italians have sufficiently reduced French influence at Adis Abeba there will be consummated a commercial treaty between Abyssinia on the one part and Britain and Italy on the other, which will give to the nationals of the two latter countries certain important concessions to open up and exploit the rich trade possibilities of Abyssinia.

This Consulate has had indirect but possibly reliable information that British, French, and Italian officials in Adis Abeba used to the fullest possible extent in prejudicing Abyssinians against the United States the circumstance of the unfavorable impression gained by the Abyssinian mission which visited the United States, referred to in this Consulate's despatch No. 345 of November 27, 1919.

There are on file in the Department a number of reports and despatches on Abyssinia which indicate the trend of the development of political and commercial

affairs

affairs in that country.

Further details from the American Trade Commissioner at Constantinople with reference to the mining concession said to have been cancelled through British influence are awaited with interest.

I have the honor to be, Sir,

Your obedient servant,

American Consul.

File No. 610.

In reply refer to
TA -

My dear Mr. Kennedy:

Reference is made to a despatch to you from the American Trade Commissioner at Constantinople, dated February 10, 1920, regarding British activities in Abyssinia, a copy of which was handed to Mr. R. D. Hall of the Office of the Foreign Trade Adviser by Mr. Robertson of your Bureau.

In this communication it is stated that "An American mining company" had secured certain mineral concessions in Abyssinia but that "certain British interests" had persuaded the Government of Abyssinia to revoke these concessions. Mr. Mears states that he has not yet been able to obtain the name of the American company and was endeavoring to secure this and other additional information on the subject.

An

Philip S. Kennedy, Esquire,
Director, Bureau of Foreign
and Domestic Commerce,
Department of Commerce.

711.94 6321/2 A

F 95- March 25 1920

An instruction regarding this matter has been sent to the American Consul at Aden, and a copy of this instruction is enclosed. It is requested that you instruct Mr. Mears to send all information on this subject which he may be able to obtain and that such information be transmitted to this Department. It is also suggested that, unless it is contrary to the custom of your Bureau, this information be sent direct to the American Consul at Aden.

Any suggestions which you may have as to possible action by this Department in the matter would also be appreciated.

Yours very sincerely,

Frank L. Polk

Enclosure:

Copy of instruction.

ALVEY A. AB
MAR 26 1920

FRP:MHM
TA

2/16/20

UNDER SECRETARY 61

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

April 5, 1920.

Office of Foreign Trade Advisor
APR 10 1920
DEPARTMENT OF STATE

File

IN REPLY REFER TO 16

Mr. Frank L. Polk,
Under Secretary, Department of State,
Washington, D. C.

Interview with Mr. Mears

Dear Sir:

Referring to your letter of March 29, in which you mention a report by Mr. Mears, Trade Commissioner for this Bureau at Constantinople, in regard to British activities in Abyssinia and your suggestion that Mr. Mears send all further information that he may gather on this subject direct to the American Consul at Aden, unless such action be contrary to the custom of this Bureau, I have to inform you that Mr. Mears sailed for the United States on April 2, and will be in Washington toward the end of the month. On arrival here, Mr. Mears will take up the matter himself and any new information that he has on the subject will be communicated to the Department of State.

Very truly yours,

Director.

FILED
JUL 7 1920

Note for
127.68
110.78

ADDRESS ALL COMMUNICATIONS TO
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON, D. C.

INDEX BUREAU
JUL 8 1920

CONSULAR BUREAU
AUG 10 1920
DEPT OF STATE

DEPARTMENT OF STATE
AUG 12 1920
WESTERN EUROPEAN AFFAIRS.

AUG 12 1920
DIVISION OF
NEAR EASTERN AFFAIRS

No. 392.

13408

AMERICAN CONSULATE,

Aden, Arabia, June 22, 1920.

SUBJECT: British Activities Against American Interests in Abyssinia.

Office of Foreign Trade Advisor
JUL 26 1920
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Not for publication.

JUL 30 1920

I have the honor to refer to the Department's Instruction No. 95 of March 25, 1920, sending a report from the American Trade Commissioner at Constantinople with reference to British activities in Abyssinia, and to this Consulate's reply thereto, despatch No. 373 of May 11, 1920.

It is believed that the concession referred to in the American Trade Commissioner's report is the Baghdassarian concession now being exploited by the Anglo-American Oil Company and discussed in this Consulate's despatch No. 391 of June 21, 1920. It has been learned since that the Topokian referred to in this Consulate's despatch No. 373 of May 11, 1920, is probably an H. H. Topakian who is or claims to be an American citizen and Persian Consul General at New York. This gentleman is known to have been in Abyssinia several months ago and to have proceeded from there to Constantinople where he arranged to take H. M. Baghdassarian, who had previously gone from Abyssinia to Constantinople, to London and put him in touch with the Anglo-American Oil Company for the purpose of interesting the company

in

Filed
OCT 20 1920

in the oil concession for Harrar province in Abyssinia, held by Baghdassarian. This he evidently did and this Consulate has been informed by Baghdassarian that Topakian has an interest in the concession now about to be exploited by the Anglo-American Oil Company.

It is possible that Mr. Mears, the Trade Commissioner, made his report as the result of remarks coming from Baghdassarian or Topakian while they were in Constantinople, although the former states to this Consulate that no such question as the revocation of an American concession had ever come up in his knowledge. The Baghdassarian concession could not, it would seem, properly be called an American concession although Topakian may have a subsidiary interest therein. Baghdassarian is an Armenian under French protection and has lived for many years in Abyssinia.

Judging from the fact that it was Topakian who is credited with being able to secure a hearing for Baghdassarian with the Anglo-American officials in London, which hearing has apparently resulted in a definite business arrangement, he could well be a person of some influence and standing. He is at present understood to be in Constantinople.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 610.

ITA 8pg.

TELEPHONE: VICTORIA (10 LINES)

Office of Foreign Trade Advisor
AUG 18 1921
DEPARTMENT OF STATE

36, Queen Anne's Gate,
Westminster, S.W.1.

INDEX BUREAU
Rec'd
AUG 17 1921
Dept. of State

August 2nd 1921.

No acknowledgment.
ACW
Encl. copied for Bx. of Mines -
(names to be omitted in any publication
or dissemination of contents).
ACW

Arthur T. Millsbaugh Esq.,
Room 368,
Department of State,
Washington :: D.C.,
U. S. A.

811.6363/51

Dear Sir:-

You will recall the interview we had with the Under Secretary in connection with our Abyssinian Concession and that whilst in Washington we were unable, at that time, to furnish you with a copy of the Bayart Concession of which you were desirous of having a copy, and which I promised to obtain and send you on my return. I now have pleasure in enclosing you this Agreement upon which our French friends place very much importance.

Yours very truly,

James Hamilton
Director.

AUG 19 1921 M
Rec'd

1 Enclosure.

IMPERIAL SEAL.

"LION OF THE TRIBE OF JUDA, ZAODITOU, QUEEN OF QUEENS OF ETHIOPE.

ZAODITOU. Empress of Ethiope, Daughter of the Emperor Menelick II.

We, RAS TAFFARI, Heir to the Throne of the Ethiopen Empire, declare that the Ethiopien Government has taken for itself, in order to exploit (as per the following Agreement), except the lands already granted to other concessionaires, all the mines (Minerals ?) which may be found underground in Ethiopien territory; gold, silver, copper, nickel, lead, sulphur, mercury, marble, petroleum, tin, precious stones and all other materials of value.

Messieurs ACHILLE BAYART & FILS, French subjects, are authorised to form a Company in order to carry out all the work of prospecting and exploiting all such mines, to put itself in the place of the Ethiopien Government and act in its name and observe the present Agreement. In consequence, the mines Agreement written on the 15th Sanie 1910 and granted to WOSSANIE ZAMANUEL as well as all the arrangements made by this last with third parties be they with or without authorisation are null and void by this present Agreement. With regard to the mineral lands already obtained by Messieurs ACHILLE BAYART & FILS, they shall remain with them.

ARTICLE 1st.

Messieurs ACHILLE BAYART & FILS, putting themselves in the place of the Ethiopien Government and acting in its name, will be allowed, for the purpose of prospecting and exploiting the mines, to bring tools, machinery and products necessary, engage engineers and do all that which is necessary.

ARTICLE II.

Messieurs ACHILLE BAYART & FILS will not be charged customs duty for the instruments and products necessary for this work, nor for the instruments and products which come from a foreign country, on their entry into the country or when transported from one place to another.

ARTICLE III.

As the contracts for part of the mines already conceded will be eventually renewed, no matter in what other part of the Ethiopien Empire riches may be found which can be extracted from the earth, we shall not prevent them working and exploiting there.

If the concessionaires find antiquities in their excavations they will acquaint the Ethiopien Government and surrender same to it; they must not keep them for themselves.

Messieurs ACHILLE BAYART & FILS must replace in its original state the lands excavated, if and when they are abandoned, and return them to the Government or to the proprietor.

ARTICLE IV.

In prospecting and exploiting the mines that Messieurs ACHILLE BAYART & FILS or their Company have taken in place of the Ethiopien Government and for which they are acting in its name, they may use the water from rivers that are near by, without, however, preventing it from supplying the peasants. In the same way they may take timber from unoccupied land for the purposes of these same exploitations. With regard to the timber which is found on land already occupied, Messrs. ACHILLE BAYART & FILS or their Company must come to an understanding with the prôprietor for permission to take same on a certain payment.

ARTICLE V.

When Messieurs ACHILLE BAYART & FILS send their agents or personnel for prospecting or exploiting the mines in Ethiopien territory they will inform the Ethiopien Government and the Ethiopien Government will give them customary letters, advising the Governors of the country so that the engineers, workmen and agents may move freely from one province to another and make their searches and do their work without difficulty.

ARTICLE VI.

If, by reason of the prospecting for and the exploitation of the precious materials in Ethiopie, there arise disputes which hinder the exploitation, such differences of Messieurs ACHILLES BAYART & FILS themselves or of their employees under their orders will be examined and judged by the principal chief of the country (of the province) agreed by the Tribunal de l'Afa-Negous, appointed by the King according to the Law.

ARTICLE VII.

In order to raise the capital necessary for the exploitation of this concession, Messieurs ACHILLE BAYART & FILS are authorised to appeal for foreign money as well as Abyssinian money, to form Companies with foreigners and Ethiopiens, but not with any Government. Nevertheless, if the Ethiopien Government choose to put any capital in these Companies it may do so according to the Law and Ethiopiens will have the right of furnishing a half or a quarter of the capital.

ARTICLE VIII.

If Messrs. ACHILLE BAYART & FILS or their company find minerals in territory already belonging to a proprietor, at all such places required for the installation of machinery, pits, construction of houses and other necessities for this work Messrs. ACHILLE BAYART or their Company will occupy the necessary lands on agreeing with the proprietors to pay an annual rent estimated on the value of the surface.

this renting will last for the duration of the mine and the works.

If the proprietors demand an exhorbitant price, the Judges appointed by the Ethiopien Government will estimate in the presence of the Agents of Messrs. ACHILLE BAYART & SONS the price of the land and will fix the rent, or will seize the land on ordering the payment of double the price of the land by Messrs. ACHILLE BAYART & SONS, and the proprietor will have no right to royalties on the minerals found in his land.

ARTICLE IX.

Messrs. ACHILLE BAYART & SONS will have no claim to the mining lands; but they will carry out freely all the necessary works.

If Messrs. ACHILLE BAYART & SONS find any mines in territories already belonging to a proprietor, they will take what they consider necessary, but they will not be forced to take any more land than they require.

ARTICLE X.

It is forbidden to touch the following: cemeteries, monasteries, churches, State buildings, of general interest or governmental, such as railway lines, main roads, fortresses. In case of disagreement on this question between the concessionaire and the proprietor, the "Negous" will settle the difference.

Although Messrs. ACHILLE BAYART & SONS are in the place of the Ethiopien Government and acting in its name, in the concession of the present contract for the exploitation of the mines, they will carry out the works seriously for the duration of the contract.

The Ethiopien Government will protect the exploitation of the mines. In the case where Messrs. ACHILLE BAYART & SONS or their Company have need of the police, they will be supplied by the Ethiopien Government on the necessity being brought to their notice, But if any accident is occasioned by an insufficiency of police, and there is a loss of men and works, the Ethiopien Government will not be responsible: but the Government will take all measures possible to prevent a recurrence of similar accidents.

ARTICLE XI.

Messrs. ACHILLE BAYART & SONS will pay, with the exception of gold and silver, a tarif of 5 per cent., ad valorem, on all the minerals extracted from the earth, and which have been worked mechanically or chemically. In the case of gold, silver and precious stones, if the Ethiopien Government desire to take the crude minerals obtained from the soil, they will take 12 per cent. or 20 per cent. of the net benefits. The Ethiopien Government will make a general inspection of all the works carried out by Messrs. ACHILLE BAYART& SONS or their Company.

Whenever the Abyssinian Inspectors arrive on an arranged date, Messrs. ACHILLE BAYART & SONS or their Company will show their books of Plans and Accounts, and will permit the taking of such copies as are judged to be necessary. Moreover, on arranging appointments, these Inspectors will be able to visit the Installations above and under ground in order to examine all the Plans of the works and to take copies if desired.

Messrs. ACHILLE BAYART & SONS or their Company will pay annually the expenses of the Inspectors estimated at Fcs. 15,000 from the date of signing for the ensuing 5 years. At the expiration of these 5 years the two contracting parties will mutually agree with regard to the cost of the Annual Inspection which will not be less than Fcs.15,000 Messrs. ACHILLE BAYART & SONS are not authorised to pay the Inspectors direct.

ARTICLE XII.

From the commencement of the present Contract Messrs. ACHILLE BAYART & SONS or their Company, will pay annually a tax of 10,000 thalers to the Ethiopien Government in addition to the duty on the land vide Article XIX.

ARTICLE XIII.

Should the Ethiopien Government wish to take payment in respect of their rights on the products from the mines made by Messrs. ACHILLE BAYART & SONS, the latter undertake to export these minerals to places where they will fetch the best price, to treat as regards price as if they were selling their own goods and to deduct the expense of transport and insurance of the sale, and to pay the surplus to the Ethiopien Government.

Messrs. ACHILLE BAYART & SONS will fix in detail in the Articles of the Company the manner of payment of the dues named in certain Articles of this Contract.

ARTICLE XIV.

In the event of Messrs. ACHILLE BAYART & SONS finding lands containing Petroleum, they will be able to transport the same by canals and pumps to the most convenient points for disposal. If Petroleum is found on the Ethiopien frontiers, the Ethiopien Government will take the rights on the same and Messrs. ACHILLE BAYART & SONS will not be prevented from the safest course in exporting it, by canals, pumps~~s~~ But if the Government desire to take for their needs of petroleum, more than they are entitled to, Messrs. ACHILLE BAYART & SONS will not export abroad until the Ethiopien Government have taken a quantity sufficient for its needs. If the Abyssinian people wish to buy petrol, they will not be prevented from doing so.

ARTICLE XV.

Messrs. ACHILLE BAYART & SONS will be allowed to construct railways for the transport from one point to another the material and machines

imported and others as well as the produce of mines and all kinds of things necessary for the undertakings; and the Ethiopien Government will not be prevented from transporting by these same railways all that is necessary to them.

In the case where the construction of the railways will encroach on houses and properties, Messrs. ACHILLE BAYART & FILS will negotiate with the owners with a view to the necessary permission being granted on payment of agreed compensation.

Messrs. ACHILLE BAYART & FILS will put aside all broken material and excavated material on the land acquired. Should Messrs. ACHILLE BAYART & FILS construct houses on the lands acquired for the installation of workmen, the latter shall inhabit them on payment of a rent.

Messrs. ACHILLE BAYART & FILS will take the necessary steps for general sanitation.

ARTICLE XVI.

In the case where the Ethiopien Government should desire to have the right to purchase solely for themselves the produce, whatever they require, of the mines, with the exception of gold, silver, and precious stones, they will buy on the spot from day to day at the lowest European price, without adding insurance, customs and freight charges, etc. As regards gold, silver, and precious stones, the Ethiopien Government will be able to purchase what quantity they desire at the current price in Ethiopie.

ARTICLE XVII.

Messrs. ACHILLE BAYART & FILS are authorised to sell the minerals extracted by them which are not bought by the Ethiopien Government either in Ethiopie or to foreign countries or wherever they may think it desirable. They will have no other fees to pay than those of Article XI.

ARTICLE XVIII.

In the case where Messrs. ACHILLE BAYART & FILS after having notified the Ethiopien Government of the discoveries of any mineral found by them, do not commence the works of exploitation through their own fault within a period of four years, the Ethiopien Government after having advised Messrs. ACHILLE BAYART & FILS 8 months in advance, will be able to retain without indemnity the mine in respect of which the works have not been begun within the aforesaid period, and keep it for themselves or give to any other person if they think fit.

ARTICLE XIX.

Each time that Messrs. ACHILLE BAYART & FILS discover a mine they will indicate by writing the place, area and the quantity of "gachas" necessary. They will pay annually a fee of 100 thalers per "gacha" of land retained where they have found the mines.

ARTICLE XX.

After the Company have discovered the land for working and advised the Ethiopien Government nobody will have the right to make researches or excavations within 20 kilometres distance from the boundary indicated.

ARTICLE XXI.

The Society will be known as "COMPAGNIE IMPERIALE DES MINES d'ETHIOPIE".

ARTICLE XXII.

The moment Messrs. ACHILLE BAYART & FILS form a Company in the name of the Ethiopien Government, they will notify in advance by writing the names, nationality and profession of the persons nominated to form this Society.

Messrs. ACHILLE BAYART & FILS will establish bye-laws which will not be in force only by the approval of the Ethiopien Government. Messrs. ACHILLE BAYART & FILS or their Company will state in a register their exact residence and address.

ARTICLE XIII.

Messrs. ACHILLE BAYART & FILS or their Company will not be able to sell this privilege to any particular foreign persons or foreign Government, neither for what-soever reason will they be able to give the present contract as a security under penalty of the annulment of the contract.

ARTICLE XXIV.

The duration of the present contract is for 75 years. At the expiration of 75 years, should the Ethiopien Government desire to keep for themselves the material, machines existing for the exploitation of the mines, the houses built, as well as all fixtures etc., the Ethiopien Government and Messrs. ACHILLE BAYART & FILS will each choose three arbitrators and these arbitrators will make a total estimate and the Ethiopien Government will be able to acquire all the above on payment of the price estimated from which will be deducted 10 per cent; or otherwise the contract of this Company will be renewed and by a new contract this same Company will be authorised to continue the exploitation. But, in the case where Messrs. ACHILLE BAYART & FILS or their Company after having been authorised by the Ethiopien Government should wish to sell to a third party all the material, machines, tools, etc. the Ethiopien Government will be entitled to 10 per cent. on this sale.

ARTICLE XXV.

If the Ethiopien Government should grant to another Society more favourable conditions than those granted by the present contract, the Company of Messrs. ACHILLE BAYART & FILS will benefit equally.

ARTICLE XXVI.

The present contract has beenmade in duplicate signed and sealed by the two parties one to remain in the hands of the Ethiopien Government and the other in the hands of Messrs. ACHILLE BAYART & FILS or their Company.

Written ad Addis-Abeba the first Guembot 1911 (9 May 1919) of the year of Grace.

Under the text "amharique" adjoining the French translation - the seal of the RAS TAFFARI MAKONNEN, Heir of the Throne of Ethiopie, as well as the signature of the Prince TAFFARI MAKONNEN.

884.63
Copy to Comm By Fairn B, copy to Ind (Dept. Survey). 36682 SEP 19 1921 R. ORT.

36682

No. 24.

Rome, August 19, 1921.

Supplementary Distribution 9/30/10. Copies to War & Navy. R.O.R. OCT 4 1921

DEPARTMENT OF STATE SEP 15 1921

Department of State SEP 20 1921

DEPARTMENT OF STATE 19 21

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to enclose herewith a translation of a letter received by me from Signor Amilcare Toscani, a building contractor of Milan, relative to deposits of potassium chloride which have been discovered in Abyssinia. It may be possible that some commercial interests in the United States will find interest in this man's suggestion. The information contained in the third paragraph may also be of value to the State, War and Navy Departments.

I have the honor to be, Sir,

Your obedient servant,

Richard W. Washburn Child

Encl: Translation.

F.I.E. FEB 14 1922

DEPT. OF STATE SEP 19 1921 INDEXED

SEP 17 1921

(Translation)

AMILCARE TOSCANI,
Building Contractor

Viale Monforte, 27
M i l a n

Milan, August 10, 1921.

To His Excellency

The Minister Plenipotentiary of the United States,

Rome.

Having learned from the papers that Your Excellency is minded to better the traffic and the economic relations between Italy and the Great Power represented by Your Excellency, the undersigned has the honor to state the following:

During the war inexhaustible deposits of potassium chloride similar to the famous salts of Strassfurt (Germany)* were discovered in Abyssinia at fifteen kilometers from the boundary of our colony. These deposits are on the surface of the ground, so that no expense nor machinery are required for its extraction. After loading the mineral in bags, it is carried on camels back to our colony. After crossing the boundary the camels cover sixty miles of desert and arrive on the shore of the Red Sea, where the mineral is loaded on sail boats, transported to Massaua and finally loaded on the big steamers.

During the war the chloride was sent to Italy, France and England. Now, on the other hand, the Italian company which works the deposit by regular concession of the Ethiopian Government, sells the mineral to the Japanese returning in ballast from Europe to their own country. It seems that the Japanese use it exclusively for the manufacture of explosives.

Sometime ago the writer proposed to the company owning these deposits to construct an economic railway from the deposits to the Red Sea and thence over a pontoon bridge by means of a suitable mechanical conveyer, to load the steamers directly - thus avoiding the present heavy expense of transportation and loading. The writer

*These are the only two great deposits of potassium chloride in the world.

could easily have obtained the concession for the railway from the Ethiopian Government by means of his own brother, a resident of Addis-Abeba ~~and having personal~~ and having personal relationships with the most influential Abyssinian chiefs as well as a decoration from the ex-Emperor Menelik.

But the company - either because of the crisis, or through lack of capital, or perhaps because it had found the Japanese willing to pay a high price for the mineral - did not accept the proposal of the writer.

Conseque tly, the writer proposes the following:

(a) The purchase of the concession from the Italian company;

(b) Negotiations with the Ethiopian Government as well as with the Government of the Eritrean Colony, for a concession of an economic railway from the deposit to the Red Sea as well as the construction of the same with its respective embarkation dock on the Red Sea.

If the matter should be of interest to your nation, the undersigned is always at the disposal of Your Excellency or of any company named by you.

With the deepest respect

(Sgd) A. Toscani

P.S. In case of acceptance, it is requested that an answer be sent to the Pensione Pacitto, Via Francesco Crispi, Rome, where the writer will spend some weeks in pursuit of other business.

Office of Foreign Trade Advisor
MAR 13 1922
DEPARTMENT OF STATE

DEPARTMENT OF STATE.
MAR 9 1922
DIVISION OF
NEAR EASTERN AFFAIRS

CONSULAR BUREAU
MAR 14 1922

DEPARTMENT OF STATE
D. C.-2
MAR 10 1922
DIRECTOR of the CONSULAR SERVICE

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MAR 16 1922

(Interior) U. S. Geological Survey.

Section of Foreign Mineral Reserves. Form 2-B

Department of State.

ABYSSINIA Report for Year Ended December 31, 1921.

Cecil M. P. Cross, American Consul,

Aden, Arabia. February 5, 1922.

1- General Summary of the whole Mining Industry.

During the year 1921, there was no commercial mineral production in Abyssinia. Small native undertakings in placer gold and tin mining and small scale salt mining all for purely local consumption, were the extent of the mineral activities during the year. Experimental boring for petroleum, with undisclosed results, was also undertaken by the Standard Oil Company.

There were no marked changes from the previous year, and it may be said that as yet this small scale production is the normal state of the country in which practically nothing has been done to develop its enormous mineral resources.

The present trend is undoubtedly for European development on a large scale but so far political difficulties both in Abyssinia and with the different powers has prevented any success.

The political obstacles are apparently the most serious, and it is found very difficult to obtain concessions and even more so to work them after they are obtained. If the political obstacles could be overcome, it is not believed that any great trouble would be encountered in interesting capital, or that any serious engineering obstructions to the development of the deposits would be discovered.

The

The only significant development to date is the abandoned Italian effort to exploit the potash deposits, and the petroleum borings of which the success is still unknown.

The following deposits of minerals are known to exist. Abyssinia has been most imperfectly prospected, and no attempt made at a serious geological survey. It is confidently believed that far more exists in the way of both variety of minerals and number of deposits than has as yet been found.

ASBESTOS

Asbestos is included on the list submitted, but no knowledge of its existence is to be discovered among those best acquainted with the country. This does not of course preclude its existence in a country relatively so little investigated but no important deposit is known of.

CINABAR

Traces of cinabar have been reported in specimens brought in by natives.

COAL

Large deposits of coal are known to exist in the Ankober River area, of which Ankober, about 100 miles north-east of Adis Abeba is the center. This coal is of good quality, and is situated within 70 miles of the railroad from the coast to Adis Abeba. There would be no engineering difficulty in constructing a branch to the coal field.

COPPER

Large deposits of copper occur in several localities in Abyssinia.

Ankobo

Ankobo.

One promising deposit is located in the Ankobo district. It is said to be of high grade, running about 6% of the metal in a vein 12 feet wide. It, however, requires opening up and further assaying to determine the actual extent and value of the deposit.

HARRAR.

A second rich deposit of copper is situated in the Harrar district. It is located in a highly mineralized contact zone running roughly east and west from Gildessa to the Chiar Chiar mountains. There are rich showings of copper along the contact of limestone and porphery of a most promising nature but the area has not been prospected to any extent much less worked even by the natives.

Omo, Southwestern Abyssinia.

The most promising copper deposit in Abyssinia occurs in the southwestern part in Omo river district. The whole territory is very highy mineralized. The copper occurs in deposits similar in nature and deposition to the copper in the Lake Superior areas. The deposits are described as enormous and of very high grade. Their limits are not known with any precision, but those who have seen them say they extend over a highly mineralized area of over 7,000 square miles, which may also contain other valuable minerals, and that their richness and importance cannot be overestimated. Fuel in the form of wood is plentiful, and the Omo river can furnish an abundance of water power.

GOLD

Gold exists in many places in Abyssinia and is worked to a small extent by the natives by the placer

method

method in the river bottoms.

Harrar District.

A promising but very imperfectly investigated deposit of gold exists in the Gilaessa area, which also contains copper.

Ankobo District.

Gold occurs in the north of the Ankobo district, but the veins are small and the deposits are of low grade. It is, however, believed to be well worth prospecting.

Omo River District, Southwestern Abyssinia.

A considerable amount of aluvial gold is recovered annually by natives from the river bottom. A thorough prospecting and examination of this area which is so highly mineralized, should produce excellent results.

IRON

Iron is known to exist in different parts of Abyssinia, but as yet none has been reported of a quality or in a location to warrant development even if political difficulties were removed.

LIMESTONE

Limestone occurs in various parts of Abyssinia, notably in the form of dolmite in the Harrar district where it forms one edge of the copper contact zone, referred to under Copper.

PETROLEUM

Petroleum is reported in the Gildessa district. The Standard Oil Company has been prospecting here, drilling in several spots. So far as known the results have not been such as to raise very great hopes. The main oil basin is believed now to be further to the east, probably in British Somaliland.

Phosphate

PHOSPHATE

A large deposit of phosphate rock was discovered by a German prospector, about 28 miles southeast of Harrar in the Arussi country. It is described as being located like those of Egypt in a very dry district and in a Grampian Formation. The mineral is apatite in strata 12 to 14 feet thick dipping from a plain into the side of the mountain. The Mineral has been analyzed and indicates 25-30% of the phosphate. No serious effort as yet has been made to exploit the discovery.

POTASH

An enormous and apparently inexhaustable deposit of potash occurs in the Asal salt plain almost over the border into Eritrea, northwest of Lake Alelbad. The deposit occurs in a basin two hundred feet below the sea level, and in an absolutely desert country, in which rain is never known to fall. It is formed by the deposits made from the evaporation of the waters emitted by numerous gyser like springs which issue from a semi-thermal source for the temperature of their waters indicate that they have been in contact with not entirely cool geological formations. Some of the springs have shafts over two hundred feet in perpendicular depth, without a bend.

The composition of this potash is 90% KNO_3, and the balance made up of a complicated Murate of Sodium containing 80% potash and a small quantity of NaCl.

The deposit occurs near an enormous deposit of NaCl, Common Salt, which has been worked for untold generations by the natives, who use it in the form of bars about

14" X 1" X 3" in lieu of money, although it is somewhat discolored by iron. Eight miles distant a seam of feldspar has been observed and it is believed that the potash is the product of a chemical reaction of the chlorine from the NaCl deposit upon the Feldspar.

The deposit is described as enormous and its production only limited by the capacity of the communications with the sea. In size it is said to rival the deposit at Stassfurt, Germany, but differs from that in that so far as known it does not contain the immense variety of salts found there.

During the war this deposit was worked by the Italian Company, Societa Mineraria Coloniale, under a concession issued in 1911 for 35 years by the Abyssinian government to the discoverer.

The year of greatest production was 1917, when 3,578 metric tons were exported, distributed as follows:

1/2 to Italy.
2/7 to France.
1/7 to Great Britain.
1/14 to Egypt.

This company carried on its operations through the port of Mersa Fatimari on the Red Sea, 76 miles south of Massowah. The part of the deposit worked by the company law 10 miles from the boundary. The potash was scrapped up into bags which were then transported this distance on camel back over a road constructed for the purpose to the frontier, where it was loaded into the cars of a narrow gauge railwoad and taken 46 miles on it to Mersa Fatimari, where it was loaded into dhows, or at one time into a small steamer and transported to Massowah for reshipment to large steamers to Europe. After the war shipments were also made to Japan,

the

the potash serving as ballast for steamers returning empty from Europe. The cars on the railroad were drawn at first by steam locomotives but the difficulty of getting fuel and water caused these to be replaced by motor engines.

During the war the company made a good profit and had at one time 1000 laborers employed. After the armistice the demand for the potash for use in munition manufacture declined and its market for other purposes was affected accordingly. The price fell and profits were proportionately reduced. Still more serious was the trouble which developed with the minor chiefs of the Abyssinians, who seem to have disliked the activity of the Italians because the feared tampering with the salt deposit, which was to them far more valuable than the potash. They also were jealous of the profits which it was known the company was enjoying. Accordingly they began to demand tribute. This was given at first because the central government at Adis Abeba seemed unable to restrain the local chiefs. The demands increased and were emphasized by harrassing rifle fire. Diplomatic reasons prevented action by the Italian government and the company was finally obliged to abandon its work altogether. So far as is known no serious consideration is being given to its revival, partly because of the difficulty of interesting Italian capital at this time, and partly because of the impossibility of renewing work without armed backing, which would precipitate very serious complications and involve consequences that for the present no one seems inclined to provoke. Potash of this quality would be worth £ 17 a ton in the London market according to the most recent estimate available.

Salt

SALT

A very large deposit of rock salt occurs in the Assali salt plain northwest of Lake Alelbad, which has from time immemorial been worked by native tribes. The salt cut into bars 14" X 1" X 3" pass current in lieu of money. The deposit is of great extent but somewhat discolored with iron and is by no means as important as the potash deposit near which it is located.

Other deposits no doubt exist.

SILVER

Traces of silver have been found in the form of silver lead, which has been discovered about 25 miles south of Dire Dawa, in the Harrar district, within 8 miles of the railroad. The deposit appears to be extensive but has not yet been developed in any way. It consists of galena veins several inches thick but of unknown depth in a black limestone.

SULPHUR

Immense deposits of sulphur occur in the Harrar district, in the area of the Hawash river. It is very pure and within twenty miles of the railroad. It has as yet been only partially investigated but it is described as one of the most wonderful deposits in the world. It consists of three rounded cone shaped mountains 2000 feet high, apparently of nearly pure sulphur. The natives have worked the mineral to some extent but as far as they have penetrated into the mountain which is several yards, the material is still the same high grade sulphur. Sulphuric fumes are reported to be emanating from the mass to an extent that makes the approach disagreeable.

TIN

Several veins of tin occur in the granite rocks of the Harrar district. Alluvial tin also is found in the streams draining the Chia Chia mountains in encouraging quantities. The greatest quantity is found in the Dire Dawa river below Harrar.

WOLFRAM

Wolfram is found in association with tin in the Harrar district.

The future of the mining industry in Abyssinia depends on the solution of the political difficulties now existing to its development. Large amounts of capital are continually seeking investment and the removal of the obstacles will undoubtedly produce a period of very great activity.

So far as is known there are no published works on the mineral resources of Abyssinia. Various mining engineers have made investigations and submitted reports to their respective companies but these are carefully guarded. The Ethiopian government makes no publications covering this subject. The only sources of information available are the reports of various individuals who have either resided in Abyssinia or for one reason or another been especially interested in the matter. Only an alert representative on the field in Abyssinia working in conjunction with one at Aden would be in a position to supply comprehensive information as to the current developments.

Cecil M. Cross

American Consul.

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DEPARTMENT OF STATE
MAR 30 1922
Dept of State
DIVISION OF
NEAR EASTERN AFFAIRS
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APR 4 1922
DEPARTMENT OF STATE
884.63
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(Interior) U. S. Geological Survey-

Section of Foreign Mineral Reserves. Form 2-B

Department of State.

MAR 5 1922

ABYSSINIA. Supplemental Report on mineral resources of Abyssinia for year ended December 31, 1921, supplemental to that dated February 5, 1922, based on further information obtained through the personal courtesy of Hagop M. Baghdassarian, Director of the Abyssinian Mint.

DEPARTMENT OF STATE
D. C.-2
MAR 31 1922
of the CONSULAR SERVICE

By Cecil M. P. Cross, American Consul,

Adeb, Arabia, March 3, 1922.

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GOLD.

All Abyssinian gold is obtained through the placer method. On the average the purity varies between 950 and 970. The other constituents are silver, platinum, copper and base materials. No government or other control is maintained over the production of gold. It is, therefore, difficult to estimate the quantity annually produced. The director of the Abyssinian Mint estimates it at from 40,000 to 50,000 Vokiets, (a Vokiet is approximately equivalent to 28 metric grammes) per year at present. The gold is not subject to any taxes or duties by the Abyssinian government but the French authorities at Djibouti impose a 5% transit duty.

In addition to the Harrar, Ankobo, and Omo River gold fields, gold is known to exist in the following districts:

WOLLEGA

DEPT. OF STATE
MAR 31 1922
RECEIVED

The Wollega district lies in the southwestern part of Abyssinia, (Latitude 7-9, Longitude 34-36). It contains auriferous rock. In 1903 in the days of Menelik, some of these were brought on mules to Adis Abeba, and in 1921

were

were analyzed by Dr. Hesse, a German engineer chemist, who was visiting Abyssinia. The samples yielded 20% gold.

CHANGULLA

This field which lies in the west of Abyssinia (Latitude 10-11, Longitude 34-35) is the most actively exploited gold area in Abyssinia. The gold contains only 20 per thousand of silver and copper.

GODJAM

Northwest of the Ankobo field and apparently a continuation of it, is the Godjam area. The gold found here has with it a small percentage of platinum.

CRYSTALS

Fine crystals supposedly of quartz are found in the provinces of Wollega and Harrar. They are used by the natives as jewels.

IRON

Iron is worked in a crude way in the province of Shoa. It is used locally for plough shares, spear heads, and knives. A sample exhibited in Vienna in 1902 was pronounced to be of good promise.

MARBLE

Marble is found in various places in Abyssinia, among others in the environs of the city of Harrar. It is not quarried as yet.

MICA

Deposits of mica of considerable size exist in the provinces of Godjam, Shoa and Harrar. The mica is described

described as fine in quality and in large sheets.

PLATINUM

Platinum is reported to occur in conjunction with gold in the placer washings of the Godjam gold field.

RADIUM

A spring situated near the station of Error Gotha on the railroad is said to be radio active, by doctors.

SALT PETER

Deposits of saltpeter exist in many places. They are worked for use in the manufacture of native gunpowder, in the provinces of Aroussi, Balli and Ankober.

Cecil M Ross

American Consul.

884.6 CONSULAR APR DEPT. OF STATE
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MAR 21 1923
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Department of State Division of Political and Economic Information
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APR 28 1923 F.E.D.

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Raymond Davis

ABYSSINIAN MICA DEPOSIT.

American Consul.

Aden, Arabia.

February 19, 1923.

Date of Mailing: February 21, 1923.

Among the many minerals which are found in several parts of Abyssinia, mica is considered one of great importance. Many efforts have been made during the past to obtain concessions in Abyssinia, and although at one time it seemed that American capital would obtain a share, both the English and Americans have as yet met with little success. A Greek firm which has been attempting for some time to obtain a concession to work mica deposits, is reported to have at last been granted one for a period of thirty years.

While exploring the Shabella district, which is only four hours by caravan from Jig Jigga, a well known commercial station, slabs of mica measuring about 1¾ X 1 feet were found on the surface, and if the statements of a French mining engineer are to be depended upon, the deposits are expected to show very much larger pieces and to be of great value.

DEPT. OF STATE MAR 21 1923 ACKNOWLEDGED

The

The firm owning the concession is reported to lack sufficient funds to carry out the work satisfactorily and in a proper manner, and according to a representative of the firm and relative of the owner, will appreciate American capital and invites correspondence. It is reported that foreign capital has already been offered, but that the owner prefers to delay working for an indefinite period rather than to lose control of the concession.

The name of this firm is on file in the Bureau of Foreign and Domestic Commerce at Washington and may be had upon application by referring to File No. .....

---oOo---

Name of Firm: A. B. Sonnios, Adis Abeba, Abyssinia.

--o--

British capital has been offered.

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EMBASSY OF THE
UNITED STATES OF AMERICA

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No. 3011

Paris, April 6, 1923.

~~Confidential.~~

Office of Economic Adviser
JUN 20 1923
DEPARTMENT OF STATE

DEPARTMENT OF STATE
APR 20 1923
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NEAR EASTERN AFFAIRS.
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APR 26
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Department of State
JUL 10 1923
Division of
Political and Economic Information

ASSISTANT SECRETARY
APR 25 1923
DEPARTMENT OF STATE

JUL 10 1923

The Honorable

The Secretary of State

Washington.

Sir:

I have the honor to report that this morning Mr. Eli Joseph, an American citizen residing at the Hotel Ritz in Paris, called at the Embassy with a Belgian by the name of Th. Van den Haute, to obtain information in regard to Abyssinia.

It appears that Mr. Van den Haute has obtained from the Abyssinian Government valuable concessions for mineral rights in some of the "territories" of Abyssinia. He has interested Mr. Joseph and some friends in these concessions and they are anxious

to.....

to ascertain whether there is any likelihood of the United States Government establishing a Consulate or Legation at Addis Abeba.

According to Mr. Van den Haute, who left Addis Abeba two weeks ago, the Regent of Abyssinia is very anxious to have American representation in his country. He is very suspicious of the British, French and Italian Missions and has no one to turn to for advice in regard to the development of his country. He feels that were an American Representative there, he could turn to him and be certain that his counsel was free from political bias.

Mr. Joseph asked the Embassy to recommend someone who could translate from the Abyssinian language into English in order to verify the translations of the concessions held by Mr. Van den Haute. I accordingly telegraphed to the American Consul General at Aden, at Mr. Joseph's expense, asking if he could recommend anyone, but he was unable to do so.

Mr. Van den Haute had no definite information as to the reported partition of Abyssinia between Great Britain, France and Italy. He stated, however, that the British were very anxious to control the Blue Nile to its source, as this river is the one which carries in its waters deposits which are essential in Egypt and they have plans for building reservoirs and storing the waters of the Blue Nile for the purpose of irrigating the Soudan.

Mr. Van den Haute states that his concessions are for the mineral rights of every nature whatsoever in a territory comprising approximately 9,000 square kilometers. This includes some of the rich oil lands in the North of Abyssinia, near the boundary of Erythrea and within a comparatively short distance of the coast of the Red Sea. He claims that the French, British and Italians have

all.....

all been trying to get these concessions.

As I have already stated, Mr. Joseph is very anxious to ascertain whether there is any likelihood of the American Government establishing a Representative in Abyssinia, and if the Department cares to furnish any information on this question, I will be glad to transmit it to Mr. Joseph.

I have the honor to be, Sir,

Your obedient servant,

For the Ambassador,

Sheldon Whitehouse

Sheldon Whitehouse,
Counselor of Embassy.

t.

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ALL QUOTATIONS SUBJECT TO OUR CONFIRMATION

AGENCIES:
LONDON
PARIS
MARSEILLES
BERLIN
CALCUTTA
DELHI
MADRAS
KINGSTON, ONT.
TANANARIVE

CABLE ADDRESS:
ACHALAT, NEW YORK

CODES:
A. B. C. 5TH ED.
BENTLEY'S
SCOTT'S 10TH ED.
PRIVATE

A. D. ALATARY, INC.
IMPORTERS & EXPORTERS

MICA
MADAGASCAR AMBER MICA A SPECIALTY

59-61 PEARL STREET
SUITE 708
TELEPHONE: WHITEHALL 2571

No._____

NEW YORK, January 30, 1925

DEPARTMENT OF STATE
FEB 2 1925
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU
JAN 31 1925
DEPT OF STATE

Secretary of State,
Washington, D.C.

Sir:-

Having in view to take up a concession for the exploitation of a mine in Abyssinia, we would like to know if the Commercial treaty signed in December 1903 between the U.S. and the late King Menelik is still in force, and what protection our capital will have, if we establish there on a considerable scale.

We understand there is no U.S. Consul at present at Abyssinia. Is there any prospect of having one there in the near future?

Any information you may give us on the above subject will be greatly appreciated by

Yours respectfully

A.D.ALATARY INC.

AB:SM.

by _____ Pres.

FILED
FEB 18 1925

In reply refer to
NE 884.63/11

February 17, 1926

A. D. Alatary, Inc.,
59-61 Pearl Street,
New York City.

884.63/11

Sirs:

The Department has received your letter of January 20, 1925, with regard to Abyssinia and inquiring particularly concerning the continuance in force of the "Treaty to Regulate Commercial Relations", signed on December 27, 1903, and present American relations with that country.

In reply, the Department is pleased to inform you that a "Treaty of Commerce" was signed with Abyssinia on June 27, 1914, to replace the treaty of 1903. This treaty is still in force and can be found on pages 2578 and 2579 of Volume 3, "Treaties, Conventions, International Acts, Protocols, and Agreements between the United States of America and Other Powers, 1910-1923".

Since 1914 the United States has accredited no diplomatic or consular representatives to Abyssinia. At the present time, however, the Department has under consideration the question of reestablishing the office at Addis Ababa.

Meanwhile

Meanwhile Abyssinia is included within the commercial district of the American Consulate at Aden, that office having the most convenient means of communicating with the neighboring Red Sea littoral, including Abyssinia.

The Consul at Aden has standing instructions to accord to American citizens and interests all proper support and is fully advised of the Department's policy with respect to the maintenance of the principle of the Open Door and equality of commercial opportunity for American citizens and interests.

I am, Sirs,

Your obedient servant,

For the Secretary of State:

Wilbur J. Carr
Assistant Secretary.

ME GW/LVD

7-9C

FA
ACH.

Feb.

A true copy of the original sig. [illegible]

DEPARTMENT OF STATE
DEC 12 1925
DIVISION OF
NEAR EASTERN AFFAIRS

NO. 91

AMERICAN CONSULATE

Adem, Arabia

October 28, 1925

JAN 8 - 1926

DEC 29 1925
DEPARTMENT OF STATE

SUBJECT: An American Mica Mining Concession in Abyssinia.

1—1055

INDEX BUREAU
FEB 11
DEPT. OF STATE

THE HONORABLE For Distribution

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

STRICTLY CONFIDENTIAL

I have the honor to report that an American concern, called the Save Kohaia Finance Trading Company, of New York, has purchased a concession for the mining of mica in the Province of Harrar, Abyssinia, from a Greek in Dire Dawa, Abyssinia, named Mr. A. B. Sounios. The firm hopes to sell enough shares in the project eventually to make up a capital of $5,000,000. Actual operations are expected to begin in the very near future near Jigjiga, about 40 miles east of the city of Harrar, and to this end, according to the statement of Mr. Sounios, some $50,000 are now available.

While in Abyssinia on a recent business trip, I was able to call on Mr. Sounios in his office at Dire Dawa and to examine his specimens, books, plans, reports and other documents respecting the concession. It appears that Mr. Sounios is in possession of a series of concessions, or one blanket concession covering a number of deposits of mica which he has discovered in various Provinces of Abyssinia. He has sold only the rights in Harrar to the Save Kohaia Finance

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Finance Trading Company. Mr. Sounios himself is a partner in the Company, to what extent he did not disclose. He is very optimistic regarding the prospects of the project, and asserted that further capital is purposely being held back until a few shipments of the mica are actually sent to the United States at a profit.

Mr. Sounios further stated that the Harrar mines are the only ones conceded to him in Abyssinia the working of which is at all practicable, owing to the dearth of communications. These are the mines nearest to the Franco-Ethiopian Railway, but even then the average distances from them to Dire Dawa on the railway is 100 miles, over very rough country. It remains to be seen whether the cost of camel and rail transport to the port of Djibouti will be justified. It was suggested that a motor road be built between Harrar and Dire Dawa at an estimated cost of some $400,000. This is not an exaggerated estimate, in view of the broken, mountainous nature of the country, and the necessity of building numerous bridges, and lengthening the road distance with winding, circuitous grades.

The quality of the mica found in Harrar appears to be very good. In addition to the splendid samples which I examined in the office of Mr. Sounios at Dire Dawa, there is the more trustworthy testimony of a Mr. Francis De Sales Pitts, of F. D. Pitts and Company of Boston, who went to Abyssinia two months ago to purchase the Harrar concession from Mr. Sounios, before he knew that it had already been sold to the Sava Kehaia interests. Mr. Sounios showed me an affidavit executed by Mr. Pitts, stating that he found

the

the quality of the mica, as he saw it <u>in situ</u>, to be excellent, and to occur, from surface appearances, in very large quantities. Added to this, is the statement of a Mr. Martin Wider, a German of long practical experience in South Africa and formerly one of the surveyers in the employ of Mr. Sounios, that enormous quantities of good mica undoubtedly exist in Harrar, with so many outcroppings that very little mining, in the ordinary sense of the term, should be required.

The question of transport, i. e., of moving the mica to the sea, is the most serious problem facing the exploiters. Against the slow and expensive route to be followed for the present, via Dire Dawa and Djibouti, there is the possible alternative of shipping direct through British Somaliland via Hargeisa to the port of Berbera. It is this aspect of the American mica project which seems to excite a lively interest in British diplomatic and administrative circles in this part of the world. The British Minister at Addis Ababa pointed out, in his frequent discussions on the matter during my visit with him, that by building 40 miles of road from Jigjiga to the British Somaliland frontier, over comparatively even terrain, a passable route would be opened straight to Berbera. He informed me that a good motor road exists between Berbera and Hargeisa, and from Hargeisa to the frontier, a distance of about 40 miles, the existing road will only require certain repairs to render it suitable for motor trucks.

Mr. Sounios, at Dire Dawa, requested to describe his attitude toward the Berbera route of exit for the

Harrar

Harrar mica, as compared with Djibouti as an outlet. He stated that he beleived the Berbera route to be exceedingly desirable, and materially cheaper, both from the point of view of original outlay and of operating expense. He complained of the excessive French railway charges and the export duties, required not only for Abyssinian revenue at Dire Dawa, but duplicated at Djibouti for French Somaliland. He said that he would be only too glad to encourage the construction of a road to the British Somaliland frontier, providing the Government of that Protectorate guarantee reasonable facilities, and refrain from imposing prohibitive and unnecessary taxes and duties. Should they give these guarantees, he would endeavor at once to induce the Company to begin operations at the earliest possible date. And should the Berbera route be adopted, Mr. Sounios declared, there would be an opportunity for American motor truck manufacturers to supply large quantities of rolling stock.

The British Minister's interest in the American concession under discussion is friendly and cooperative. His patent, undisguised enthusiasm arises from the prospect which he seems to envisage, of the promotion of traffic through British Somaliland, the revenue which great quantities of an exported mineral will bring and most significant of all, the development of the port of Berbera.

At the request of this Consulate, Mr. Sounios has submitted a resume of the Harrar mica project and his interest in mica in various parts of Abyssinia. Copies of this report are enclosed herewith. In addition to this, there is enclosed a despatch, dated August 22, 1925,

from

from the British Minister at Addis Ababa to the British Foreign Office. A copy of this despatch was handed to me voluntarily by Mr. Bentinck. The Mr. Hipple to whom he refers, represented himself to be a corporation lawyer, when he visited this Consulate on his way to Abyssinia, but he refrained from disclosing the purpose of his visit.

The reports regarding mica deposits in British and French Somalilands have not as yet been confirmed to the satisfaction of this office, although in view of the proximity of these Protectorates to the extensive Harrar deposits, the reports seem worthy of further investigation.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park,

American Vice Consul.

Enclosures:

Copy of despatch from Mr. C. H. Bentinck, British Minister at Addis Ababa, to The Right Honorable Austen Chamberlain, M. P., August 22, 1925.

Copy of letter from A. B. Sounios, Dire Dawa, Abyssinia, to J. Loder Park, Aden, October 15, 1925.

Copy of report from A. B. Sounios, enclosed with the above mentioned letter.

File No. 863.

(COPY)

No. 115. Adis Abeba, August 22, 1925.

Sir:

I have the honor to report that a few days ago I received a visit from an American gentleman from Boston, named Mr. Francis de Sales Pitts, of F. D. Pitts & Company, Boston, distributors of wireless receiving apparatus, who came to Abyssinia with Mr. Alatary of the Alatary Mica Company. Mr. Pitts told me that they had come to purchase the rights in a mica concession from a Mr. A. B. Sounios, but had been forestalled by a Greek competitor, named Sava Kehaia, of the Sava Kehaia Finance Trading Company. The concern was to exploit mica in the neighborhood of Harrar and save in fact a mica monopoly over the whole of Abyssinia. The Sava Kehaia Finance Trading Company was financed by a group of Greek bankers in New York. An American named Hipple, was connected with the enterprise. The Syndicate hoped to be able to raise a capital of five million American dollars in Americam. Mr. Pitts had just returned from avisit to the mines, which were situated about midway between Harrar and Jigjiga. He said that the mica was of good quality; "Muscovite kind" and he gave me some specimens which I enclose in case they should be of any interest. He said that one of the principal difficulties would lie in the transport of the mineral to the railway at Dire Dawa. This would take six days by camel. The Syndicate were planning to make a road between Dire Dawa and Harrar, which would shorten the journey to the mines by about three days, but the cost of such a road would be four hundred thousand dollars.

Mr.

Mr. Pitts added that he had learnt at Jibuti that mica had also been found in French Somaliland, and that he had met an Armenian who was hoping to obtain a concession to exploit certain mines which were reported to exist in British Somaliland in the neighborhood of Zeila.

(Signed) C. H. Bentinck.

The Rt. Hon.

Austen Chamberlain, M. P.,

(COPY)

A. B. SOUNIOS. Dire Dawa, October 15, 1925.

J. Loder Park, Esquire,

Consul of the United States of America,

Aden.

Gentleman:

In accordance with your desire, and the interest for the Ethiopian mica mines manifested by you during our last conversation, I beg to remit you herewith a brief general report, as requested by you, upon mice and mica concession.

As you may see, the question is treated from all points of view, and we try and give you a general idea upon both actual situation, product contained, conditions of the mines, and their position and advantages over against those of other countries.

Everything in this report is based rather or less upon documents, statistics and facts observed in different countries, especially United States of America, during our correspondence of last 3 years with several firms in these countries, so that we may say that we made out of it an authentic report upon the Ethiopian Mica mines as well, as upon market of mica generally.

May it serve our interests as well as those of the U. S. of America to which our product is destined on its larger part.

In the meantime, I remain, Gentleman,

Annexed: (Signed) A. Sounios.
1 Map of Abyssinia
showing four concessions & occurrences of mica therein
1 Brief general report on Ethiopian mica mines being
concessions of Mr. A. B. Sounios.

(COPY)

BRIEF GENERAL REPORT ON ETHIOPIAN MICA MINES BEING CONCESSIONS OF MR. A. B. SOUNIOS.

--oOo--

CONCESSIONS. Mica was firstly discovered in Abyssinia by the actual concessionaire thereof in October 1918, in the circumscription of Wallaga (west Abyssinia). Concessions were granted by the Ethiopian Government to Mr. Anastassi B. Sounios by a contract entered into by the Ethiopian Government and the concessionaire, dated 28th September 1921. By virtue of this contract the concessionaire obtained the right of mining mica during 30 years in the following four concessions:

1. Between Lega and Wallaga after the river of Didessa in the circumscription of Lega eight kilometers towards Mertzi and in the circumscription of Wallaga forty-eight kilometers in length and five kilometers in breadth.

2. In Ogaden from the town of Guinir northwards, 20 kilometers in length and five kilometers in breadth.

3. In the circumscription of Harrar different places, 20 kilometers in length and five kilometers in breadth.

4 . In the circumscription of Aossa towards the French Somaliland frontier, 20 kilometers in length and five kilometers in breadth.

(Article 3 of the Government contract of concessions).
of a total surface of 500 square kilometers.

FIRST MINING WORKS IN THE CONCESSIONS. Mining of mica firstly was commenced in the circumscription of Harrar and in the following places:

1. In Garara near the mountain Gueri towards southwest of Zigziga and in a distance of 20 kilometers from it.

In

2. In Tomouga 5 kilometers southwards Garara and about 20 kilometers from Zigziga.

3. In Habarsaad 20 kilometers from Zigziga westwards.

4. In Garalentza 5 kilometers southwards Habarsaad and 20 kilometers from Zigziga.

The reason for which extraction began in this concession only is that the district of Harrar being nearer to Dire-Dawa and the railway, its export is easier and less expensive than from the other three concessions.

Mica extracted from these mines was shipped for the first time in 1923 for London, then was sent to Tchekoslovakia, United States of America, etc. and although its picking and classification was not as well made as those of the other mica producing countries, many orders from Germany, Tchecoslovakia, England and United States of America followed these shipments. Unfortunatelt the means disposed by the concessionaire were not sufficient in order to enable him to supply all these orders, therefore he was addressed to these countries by means of the purchasers of his mica to find out and interest any capitalists for this enterprise and be associated with them. His efforts were at last directed to the United States of America, where both free capitals may be found and mica consumption is larger than that of the other countries, where he succeeded at last to interest among others the financial groupe "THE KEHAYA BANKING CORPORATION of New York, whose a representative, Mr. Frank E. Hipple, came last spring in Abyssinia and treated with the concessionaire the question of incorporation with him, with success. Actually this groupe is investing the necessary funds, under a contract of option granted to them by the concessionaire

for

for the exploitation of the mines. Later on, and after the signing of the contract of incorporation, mining will begin on a large scale.

MINES. Mica found in these mines was of best qualities, such as Rubyclair, Ruby legerement tachete, silver mica etc., and of high grades (sizes). This fact has been ascertained not only by the engineers, diplomated or non, which have been engaged in the mines from time to time, but also by the demand of its purchasers in the different countries where it was once sent. There have been blocks extracted of mica of 1m x 0,50, and after picking and classification were shipped for New York at the end of May 1924 in 33 cases containing a great deal of pieces of special size, i.e. greater than the grades established by the "Standard Bombay". As for the quantity thereof, it is so large that it may assure exploitation for tens of years with an average annual production of 1.000-5.000 tons in the only concession of Harrar.

ACTUAL SITUATION OF THE WORLDS MARKET OF MICA. Statistics given by the Department of Commerce of the United States of America in 1924 show that in the year 1923 there was a world's lack of mica of 1.885.000 pounds on a world's consumption for the same year of 10.300,000 lbs. i.e. the one-seventh about thereof. The reasons for this are that the Canadian mines which supplied a great part of the world's demand are partially exhausted, as well as the American ones also, from the one hand, and the radio-electricity is making progresses every year from the other hand, needing thus a greater quantity of it. Therefore, its price increases according to this demand and mica becomes more and more worth.

Outlet

OUTLET FOR THE EXPORT OF ETHIOPIAN MICA. As mentioned above all the four mines where extraction firstly began and is actually made, and it will be for many years, owing to their richness, are situated 20 kilometers from Zigziga, whence a carriage road begins and ends at Berbera, the principal port of British Somaliland. This road may be run over by motors and may be lengthened by an additional road from the mines to Zigziga. From the other hand the transport of mica can be made, as it was till now made, through Fyambiru-Harrar-Dire-Dawa, and thence by railway to Djibouti.

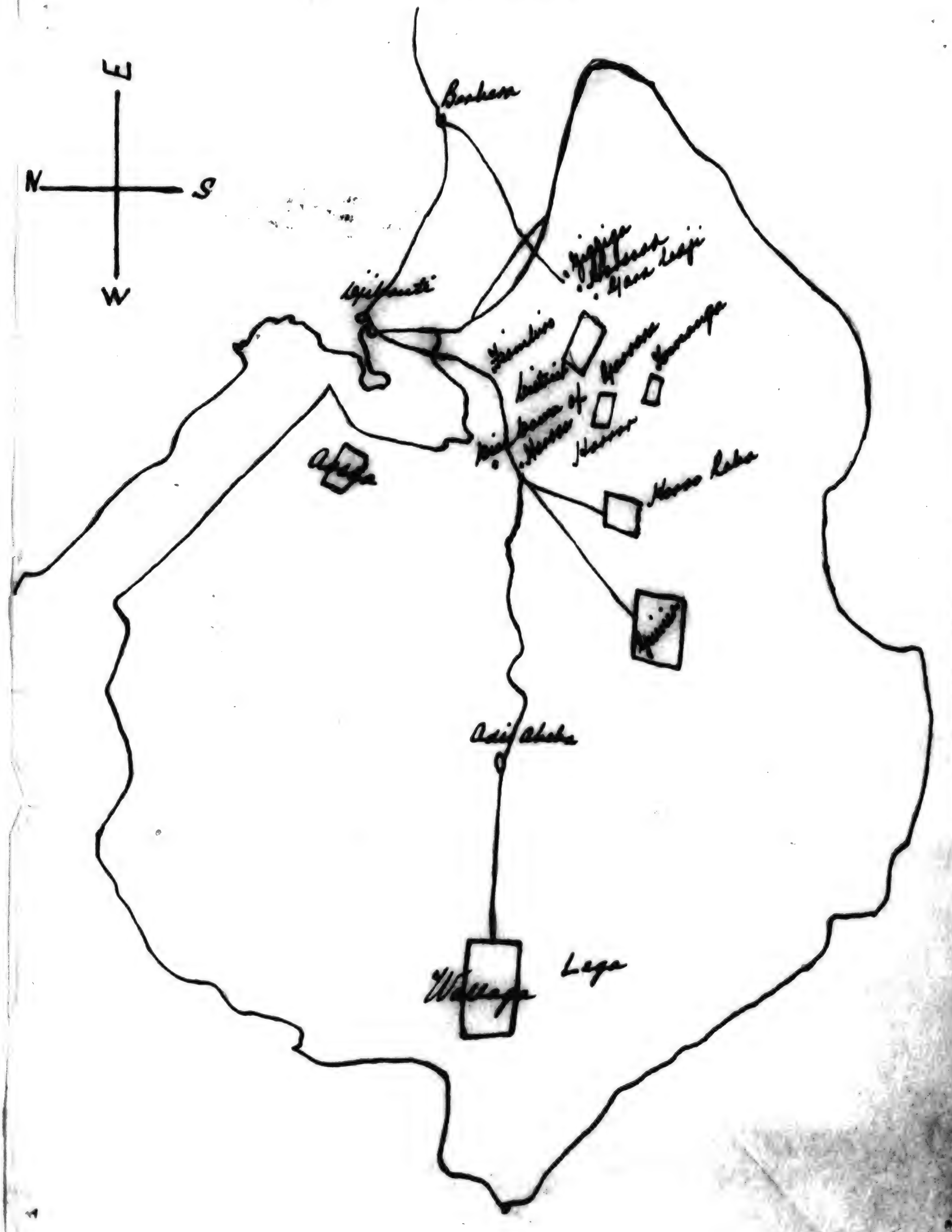
The existence of these two ways gives rise to a serious question: the preference between them, which will be made according to the advantages that either of them offers.

CONCLUSION. If we take in consideration both the actual conditions of the world's market of mica, and the advantages that the Ethiopian mines offer to this market, we may be sure that these latter are designed to predominate over all other countries' mica. We have a considerable lack of mica and an incessant increase of its demand all over the world, and these mines offering mica with best conditions, such as smaller distance, and subsequently less freight, better quality and abundant quantity, which may supply all orders which may be passed from any country. We have only to develop these mines, and give them the necessary good conditions which will do their product prevail all over the world.

Dire-Dawa, 14th October, 1925.

(Signed) A. Sounios.

Mica Concessions in Abyssinia
by A. B. Somers



DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

Office of Foreign Personnel
DEC 22 1925
DEPARTMENT OF STATE

Office of Economic Adviser
DEC 28 1925
DEPARTMENT OF STATE
INSP. BUREAU
DEC 28 1925
Dept. of State

December 22, 1925.

Mr. Dulles:

Thinking that it would be of interest for the Department to have some information regarding the Sava Kehaia Finance Trading Company of New York, referred to in a despatch No. 91 of October 28, 1925, from Aden, I made some informal inquiries in the matter. I found that the President of the Company, Mr. Kehaia, is said to be a Serb or a Levantine. The capital of the Company is said to be $1,125,000, all paid up, and the control is in the hands of the President. The firm does a commercial banking business mainly in loans. It is said that he handles a class of loans which banks cannot take because of legal restrictions. Mr. Kehaia is said to be conservative, and is said to have a reputation of being an excellent judge of commercial risks. His brother, who is President of the Standard Commercial Tobacco Corporation, is said to be associated with him. The Company is said to have a reputation of promptly meeting its obligations. So far I have received no information as to whether Mr. Kehaia is an American citizen.

884.63/12

FILED
DEC 29 1925

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TELEGRAM RECEIVED

DEPT. OF STATE
JAN 27 1926
Division of
Foreign Service Administration

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Index Bureau
RECEIVED
JAN 22 1926
Dep't. of State

DEPARTMENT OF STATE
JAN 22 1926
DIVISION OF
NEAR EASTERN AFFAIRS

Office of Economic Adviser
JAN 26 1926
DEPARTMENT OF STATE

FROM Addis Ababa

Dated Jan. 22, 1926.

Rec'd 1.42 P.M.

Secretary of State,

Washington.

January 22, 7 P.M.

The following telegram has been received. "Adis Ababa January 20, 9 P.M. Can you come immediately, important contract Mica Hipple and Abyssinian Government. Hipple will pay your expenses; Lambie.".

Hipple is referred to in my despatch 91. Reason for urgency not known but it will be obtained by special messenger if it is deemed advisable to save two weeks. Lambie is a citizen of the United States, missionary, good judgment.

Klauder, an American citizen, could assume charge of the Consulate. Respectfully request instructions of the Department.

PARK

WWC

INDEX BUREAU
JAN 30 1926
Dept. of State

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$

TELEGRAM SENT.

Department of State

Washington,

January 25, 1926 6p

5 08 PM

This cable was sent in confidential Code. It should be carefully paraphrased before being communicated to anyone.

AMCONSUL

ADEN

Your January 22, 7 p.m.

While expecting its officers to lend all proper assistance to American enterprise abroad, Department does not favor the form of intervention which ~~it~~ is apparently desired from you in this case. Even in instances where consular assistance is properly extended to a particular American interest, Department cannot permit that interest to defray expenses incidental thereto.

FOR YOUR CONFIDENTIAL GUIDANCE ONLY. In any event Department does not desire you to make another trip to Abyssinia at this time as Consul General Totten is to proceed shortly to Addis Ababa to investigate and report on the character and extent of needs for official American representation there. If for any reason, such as ~~prospective~~ possible absence of the Prince Regent, you believe present time inopportune for such investigation, you should report promptly by telegraph basis for your belief. You should not at this time communicate with Abyssinian Government regarding Consul General

Enciphered by

Sent by operator ..... *M.*, *19*...

Index Bu.—No. 50.

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PREPARING OFFICE
WILL INDICATE WHETHER

Collect

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TELEGRAM SENT.

Department of State

Washington,

-2-

General Totten's prospective visit. Further instructions will be sent you when the date of his departure is fixed.

Kellogg

884.63/13

NE GW/LVD

CH

Jan. 25, 1926

pm

Enciphered by _____

Sent by operator _____ *M.*, _____ , *19*__.

Index Bu.—No. 50.

1—138

Office of Economic Adviser
APR 27 1926
DEPARTMENT OF STATE

206082

NO. 126

AMERICAN CONSULATE,

Aden, Arabia.

March 16, 1926.

DEPARTMENT OF STATE
A-C/C
APR 21 1926
File

SUBJECT: American Mica Mining in Abyssinia: further information.

DEPARTMENT OF STATE
APR 1 1926
DIVISION OF NEAR EASTERN AFFAIRS

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

For District
APR 2 0 1926
STRICTLY CONFIDENTIAL

SIR:

STRICTLY CONFIDENTIAL

884.63/12

I have the honor to refer to despatch No. 91 of October 28, 1925, entitled, "An American Mica Mining Concession in Abyssinia," to review briefly the recent telegraphic correspondence between the Department, this office and persons in Abyssinia and to add certain notes received from Dr. Lambie, an American medical missionary at Addis Ababa, regarding the characters and purposes of Mr. Sounios, Mr. Frank Hipple and their apparent relations in connection with the mica concession and the activities of the Sava Kehaia Finance Trading Company of New York, otherwise known as the American-Ethiopian Mica Mines Corporation, of 60 Wall Street, New York.

The first thing which transpired with regard to the mica concession, as far as this office knew, subsequent to the writing of despatch No. 91, was the receipt of the telegram in plain language from Dr. Thomas A. Lambie, dated January 20, 9:10 P. M., asking me to come to Addis Ababa at Mr. Hipple's expense, in connection with a mica contract

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contract pending between Mr. Hipple and the Abyssinian Government. A copy of this is attached hereto, for the Department's convenience. A reply was immediately sent to Dr. Lambie, stating that I was "awaiting instructions." I then coded my telegram of January 22, 7:00 P. M. to the Department, quoting Dr. Lambie's message, stating that nothing was known about the case, describing Dr. Lambie as an American citizen of good judgment, and suggesting, in the event the Department should have seen fit to send me to Addis Ababa, that Mr. Klauder, an American citizen at Aden, would be able to take charge of the Consulate during my absence.

On January 23 I wrote confidentially to Dr. Lambie, requesting further information regarding the circumstances leading up to his rahher urgent telegram, and offering my opinion in respect to Mr. Hipple and his apparent secretiveness about the whole mica question. There followed a telegram, dated January 25, 12:24 P. M., from Mr. Hipple himself, stating that my presence was not necessary, since the matter was settled. Immediately after receiving this telegram, the Department's telegraphic Instruction of January 25, 6:00 P. M. was received. For convenient reference, again, copies of the correspondence above described are appended hereto.

In the light of the foregoing, no further steps in the matter were indicated. More recently, however, a letter was received from Dr. Lambie, dated January 30, 1926, discussing, amongst a number of topics of general and personal

interest,

interest, his reasons for believing that Mr. Hipple was in need of help. Dr. Lambie followed this letter by another, dated February 3, 1926, explaining matters in greater detail. Extracts from these two letters are respectfully submitted with the present despatch.

The conclusion apparently to be drawn from Dr. Lambie's explanation is that Mr. Frank Hipple, a corporation lawyer, as he called himself, working in the interest of the American-Ethiopian Mica Mines Corporation, of 60 Wall Street, New York City, has been deceived by the Greek, named Mr. A. B. Sounios, who seems to have obtained the original mica concession from the Abyssinian Government and who, in order to save his concession from lapsing, tried a bluff that succeeded at least in "patching up" matters for the present.

In despatch No. 91 the endeavor was made to describe the probable mica wealth of Abyssinia, rather than to describe the persons interested in it. Now, however, it seems essential to consider these persons more intimately. Mr. Frank E. Hipple was the first to come to the attention of this office, as early as May 15, 1925. He called at the Consulate on that date, presented his card, which described him as "Counsellor at Law," and showed a change of address from "Equitable Building, 120 Broadway, New York," to "60 Wall Street, New York." He asked, and received, all the information and assistance desired in connection with his needs in Aden and his method of proceeding to Harrar, Abyssinia "and beyond," as he mysteriously added. He said nothing about the purpose of his trip, then or since, and

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the matter, after filing his card, was laid aside and soon forgotten. Mr Hipple seemed then to be a man too advanced in years and too inexperienced in the wiles and tricks of adventurers in the East to be sent alone on a mission requiring much prudence, energy and perception, and it was assumed that his mission, shrouded in such secrecy, must have been a difficult one. He was very pleasant and very energetic for one of his apparent years (near 60) and seemed unwilling to permit the Consulate to help him more than necessary.

Mr. Sounios was not seen by the writer until last September when, en route from Addis Ababa to Aden, I called at his office in Dire Dawa. He was found to be a very stout gentleman of middle age, having an enormous amount of self-confidence, smooth-mannered and obsequeous with those from whom he hoped to obtain something, and vindictive, not to say vitriolic, about persons mentioned whom he seemed to have reason to dislike. No one was found who had a good word to say about him, and he seemed to be generally accepted as a "concession-gambler," of a type frequently found in Abyssinia. His representations to me were interesting, not because of my belief in his veracity, but because of reports heard and documents seen regarding the mica deposits of Abyssinia.

Mr. Sounios informed me then that it was his intention to seek the aid of the British Minister at Addis Ababa, in obtaining permission from the High Commissioner to improve and use a road from Jigjiga, in Harrar, via Hargeisa to Zeila or Berbera, for the shipment to the sea

of

of the product of the Harrar mica mines. He did in fact seek the Minister's aid, as the latter informed me later, in a personal note dated November 24, 1925, in the following words: "After seeing you, Sounios wrote to enquire about sending his mica by the Berbera route. I have asked the Government of Somaliland, but they wish me to reply." All that Mr. Sounios seemed to desire from the British Minister was some form of guarantee against taxes, duties and premiums for the privilege of shipping through British Somaliland. He argued that if the American-Ethiopian Mica Mines Corporation should build a road from Jigjiga to the British Somaliland frontier, in order to connect with the good road from thence to Berbera, at an estimated cost of $400,000, some form of compensation, in reduced cost of transit through British territory, for example, should be forthcoming. Moreover, he said, it should be assured in advance. The question is still in proposal form, and it seems that the British have not yet taken the matter up seriously. This may possibly be due to their lack of faith in Mr. Sounios.

The Consulate awaits further information regarding developments, namely, just how Mr. Hipple and Mr. Sounios "patched up" the matter, and just what remains to be done with the Abyssinian Government to place the concession on a sound, permanent basis. It might possibly be to the advantage of Mr. Hipple and his principals to await the opportunity to obtain a new, direct concession, but there are, perhaps, more complications than meet the eye.

Referring again to the Department's telegram of January 25, 6:00 P. M., I would respectfully assure the

Department

Department that it was not my intention to recommend the kind of intervention apparently desired by Mr. Hipple and others. It may appear that I forwarded Dr. Lambie's telegram without sufficient knowledge of the case, but the action was prompted by my belief in Dr. Lambie's good judgment, who seemed to have good reasons to believe that perfectly good American capital was again being imperilled in Abyssinia.

His Highness Ras Tafari seems to have treated the parties to the disagreement rather coldly. Being well acquainted with the methods often resorted to by such men as Mr. Sounios, he probably preferred to let the matter rest, or at least to wash his hands of the whole affair, letting the unprincipled Sounios and the gullible Hipple settle their own affairs. What Mr. Sounios and Mr. Hipple desired of His Highness is still in doubt. At all events, the Ras appears to have played safe.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park,

American Vice Consul.

Enclosures:

1. Telegram, Dr. Lambie to Consulate: Jan. 20, 9:10 P.M.
2. Consulate to Dr. Lambie, Jan. 21, 1926.
3. Telegram to Department, Jan. 22, 7:00 P. M.
4. Letter, Consulate to Dr. Lambie, Jan. 23, 1926.
5. Telegram, Mr. Hipple to Consulate, Jan. 25, 12:24 P.M.
6. Telegram (extract) Department to Consulate, Jan. 25, 6:00 P.M.
7. Extracts from 2 personal letters, Dr. Lambie to Mr. Park, Jan. 30 and Feb. 3, 1926.

Copy to the American Consul General at London.

File No. 863.

Enclosures 1 & 2.

(Copy)

Telegram.

Addis Ababa,

20th Jan., 1926.

Loder Park, Aden.

Can you come immediately important contract mica Hipple and Abyssinian Government Hipple will pay your expenses

Lambie

----0----

Telegram.

Aden, January 21, 1926.

Lambie,

Addis Ababa.

Awaiting instructions.

Park.

Enclosure 3.

(Copy)

Aden, January 22, 7:00 P. M.

Secstate:

Washington.

January 22, 7:00 P. M.- The following telegram has been refeived quote Addis Ababa Hanuary 20, 9:00 P. M. can you come immediately important contract mica Hipple and Abyssinian Government Hipple will pay your expenses Lambie end quotation Hipple is referred to in my despatch ninety-one reason for urgency not known but it will be obtained by telegraph if it is deemed advisable to save two weeks Lambie is a citizen of the United States missionary good judgment Klauder an American citizen could assume charge of the Consulate respectfully request instructions of the Department.

Park.

Enclosure 4.

(Copy)

AMERICAN CONSUIATE,

Aden, Arabia

January 23, 1926.

Dear Dr. Lambie:

I acknowledge with pleasure the receipt of your letter of January 5, 1926, giving me some most interesting news about Mr. Linebarger and telling me about your success in gathering funds at Christmas time for the Hospital. I am very glad that you did so well, as the Hospital is a most worthy institution, of which I am, as an America, as proud as I can be.

This will confirm, also, your telegram of the 20th instant, worded as follows: "CAN YOU COME IMMEDIATELY IMPORTANT CONTRACT MICA HIPPLE AND ABYSSINIAN GOVERNMENT HIPPLE WILL PAY YOUR EXPENSES." I replied, "AWAITING INSTRUCTIONS," meanwhile telegraphing the Department for them, explaining, however, that I could supply no details, unless authorized to telegraph for them. But in lieu of telegraphing, I thought it best to write to you for a brief account of developments, and just what I should be expected to do if I were to go over. I should be more than happy to go, if so instructed, but I feel that the Department of State should have every possible fact at hand, before they can properly decide what step tp take.

Things

Things seem to be taking the shape that I anticipated, that is, that Mr. Hipple would want some help sooner or later from this Consulate, and that the Consulate would be helpless, simply because it is not in a position to know what Mr. Hipple is trying to do. I must say that, when Mr. Hipple called here last year on his way to Abyssinia, he was very cautious about telling me anything, leaving me totally in the dark. I kept the Department advised as best I could, but there was precious little that I could say intelligently. As a result I am now unprepared to explain to the Department just why I should be instructed to go to Abyssinia, or, for that matter, to give reasons against such a procedure either, in order that the Department might weigh the pros and cons. However, we shall see what will be decided from the scant information at hand.

You will probably receive a telegraphic reply from this office before this letter arrives. But in any case, it seems to be imperative to request as many sidelights on the situation as can possibly be given. All will be treated with utmost care, and will be confined to the confidential files of the Consulate, not even the Clerk having access to any part of the correspondence in this matter.

With kindest personal regards, I am.

Very sincerely,

(sd) J. LODER PARK

Enclosures 5 & 6

(COPY)

Telegram.

Addis Ababa,

Jamary 25, 1926, 12:24 P. M.

Lodor Park,

Aden.

Your presence not necessary settled

Hipple

-------0-------

(COPY)

(Extract from Department's Telegram dated

January 25, 6:00 P. M.)

While expecting its officers to lend all proper assistance to American enterprises abroad, Department cannot favor the form of intervention which is apparently desired from you in this case. Even in instances where consular assistance is properly extended to a particular American interest, Department cannot permit that interest to defray expenses incidental thereto.....

Kellogg

-----0-----

Enclosure 7

(COPY)

Extract from a Personal Letter from Dr. Thomas A. Lambie, Director of the Tafari Makonnen Hospital (American) Addis Ababa, January 30, 1926:

Dear Loder Bark:

I should ere this have sent you some explanation of the telegram asking you to come to Addis Ababa immediately. It was because Mr. Frank Hipple of New York, who as you know is trying to mine mica in Abyssinia, was having trouble with a Greek, which involved to some extent the Abyssinian Government. It seemed to me that Mr. Hipple was being cheated by the Greek, and unless he could get things on a better basis, I did not see how their Company could go on. Ras Tafari at first seemed unable to help. I still think it would be much better if you could come up, but apparently Mr. Hipple has got it patched up in a way.

I hope to find time to write you a long letter soon. I was much interested in the remarks that you made about Abyssinia, and I hope to find time to answer them more fully. We are very short-handed in the hospital and I am trying to do two men's work, and am not succeeding.

-----0-----

Extract from a Personal Letter from Dr. Lambie, dated February 3, 1926:

Dear Mr. Park:

Now in regard to yours of January 23rd, I will in a few words give you a little light on this mica concession. There

is

is apparently a great amount of mica in Abyssinia. The Abyssinian Government was foolish enough to give a concession to a Greek, Sunias, or something like that. He sent two tons to America, which brought a good price, and interested some Americans, or Greco-Americans in New York City. Mr. Frank Hipple of 60 Wall Street is related by marriage to a wealthy Greek family in the tobacco business, wholesalers called Kahaiya or some such name. The family is apparently one of those that made enormous war profits. His brother, who is a partner, is not so wealthy, but at that, is worth more than a million. Hipple, who is a lawyer there, became interested in this mica and came over to invest, got an option from Sunias and agreed to make him a 49% holder, without his putting anything in but the concession.

Hipple returned to New York. They sent large sums to Sunias to produce mica, although the papers had not been signed between them. Sunias made contracts and spent the money, and produced no mica. Hipple came back in October. It seemed to me he was the absolute dupe of Sunias. Sunias owes money to dozens of people here. The option was about to lapse. Then Sunias demanded $50,000, to pay all his debts, before he would sign. Hipple was in for it; Sunias threatened to get a rival company in.

Most of this was going on in Dire Dawa. From there it adjourned to Addis Ababa, where the Greek comes to board at Hipple's expense, with his wife and secretary. Hipple follows him here in an attempt to get the Ras to straighten things out between them. Hipple is, I think, a conscientious, but somewhat foolish old fellow. Of Sunias I hear nothing but bad,

except

except from Hipple, who, in spite of being fooled and lied to by the man many times, still seems to like and have confidence in him. You know the old saying: "Whom the gods destroy, they first make mad." It certainly seems so in this case. Although, even after having written the above, I still think they may make a go of it. The Ras, I think, could have helped, but did not seem disposed to do so. I thought your presence here would help a lot in getting his co-operation, and in getting Hipple to see the light. The telegram was sent to you immediately after a rather unsatisfactory interview with Ras Tafari. Two or three days later Hipple and the Greek seemed to get together, and Hipple claims he is quite satisfied with the way it is going. So Hipple, I believe, telegraphed to you not to come. If he is satisfied, I suppose I should be, but I do not like to see Americans taken in by these tricksters.

-----0-----

DOCUMENT FILE

NOTE

SEE 846a.63/3 FOR #175

FROM Aden (Park) DATED Aug. 25,1926
TO NAME

REGARDING: Enclosing completed questionnair regarding mineral situation and production in 1925 in Abyssinia.

INDEX BUREAU

1—1127 G P O

846.63/15

DOCUMENT FILE

NOTE

SEE 846a.63/4 FOR Despatch #228

FROM Aden (Park) DATED June 22,1927
TO NAME

REGARDING: Production of minerals in Abyssinia. Questionnaire on,-.

INDEX BUREAU
846.63/16
1—1137 G P O

rp

NO. 261

AMERICAN CONSULATE,

Aden, Arabia, September 19, 1927.

SUBJECT: Efforts of the American Sava Kehaia Group to Save Their Mica Concession in Ethiopia.

1—1060

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

SIR:

884.63/12

I have the honor to refer to my first report, in despatch No. 91 of October 28, 1925, regarding the mica mining concession purchased from Mr. A. B. Sounios of Dire Dawa, Ethiopia by a syndicate headed by Mr. Sava Kehaia of 60, Wall Street, New York, despatch No. 147 of June 7, 1926, regarding the death and estate of Mr. Frank E. Hipple, a relative and legal adviser of Sava Kehaia who had been sent to Dire Dawa to supervise the working of the concession by Mr. Sounios, a partner in the American-Ethiopian Mica Mines Corporation, formed by Sava Kehaia, and to despatch No. 193 of October 13, 1926, dealing further with the estate and remains of Mr. Hipple.

Soon after the death of Mr. Hipple, there arose the question of the cancellation of the concession through non-development of the mica within the time limit provided by the original concession of Mr. Sounios. As the concession had been sold outright to the American company, this affected their title to it.

On June 7, 1927, Mr. C. H. Bentinck, British Minister at Addis Ababa, sent under cover of an informal note, an

extract

extract from his despatch to the Foreign Office No. 171 of June 6, 1927, regarding the claims of a certain Mr. George Louizo to have acquired the expired Sounios concession and the general obscurity of the whole affair. These communications are enclosed (Nos. 1. and 2).

On June 18, 1927 a long telegram was received from"Janarhand", presumably the telgraphic address of Messrs. J. Baldwin Hand and Richard B. Hand, Counsellors at Law, 52 Wall Street, New York, the legal representatives of Mr. Sava Kehaia. The Department had forwarded to this office a letter from Messrs. Hand with its Instruction dated September 16, 1926 (File No. 390b.113 Hipple, Frank E.), regarding the effects of Mr. Hipple. The telegram, asking this Consulate to assume jurisdiction in the case which had been tried in the British consular court at Addis Ababa, and promising to send a personal representative to defend the case if an extension could be obtained, is enclosed as No. 3.

Enclosure No. 4 is my telegram to the British Minister based upon that from Messrs. Hand, and Enclosure No. 6 is my telegraphic reply to Messrs. Hand. There followed in due course the Minister's full explanation of the case as considered by the British consular court, in the form of a letter dated June 25, 1927 (No. 7), covering a memorandum of the case by Mr. Maclean, Consul in charge of the court (No. 8), his Judgement (No. 9) and his quotation from the Indian Civil Code (No. 10). I then wired on July 8, 1927, to Messrs. Hand (No. 11), assuring

them

them that their only hope of extension of the time limit to defend the case would be to select an Addis Ababa representative recommended by the British Court and that this Consulate could no interfere, and telegraphing the same day to the British Minister (No. 12), that this Consulate could take no action until the choice of an Addis Ababa representative by the Americans should be communicated to this office. In any case, the Consulate's participation would have been only in the capacity of forwarding a message, which Messrs. Hand could as easily have sent direct to the British Minister.

In a word, the legal representatives of the Sava Kehaia mica group desired this Consulate to take over a case already in the hands of the British consular court at Addis Ababa, and to act in a matter in which it had from the first been kept in complete ignorance by the responsible heads ih New York.

This correspondence is submitted merely for possible future reference, as it is impossible to perceive any jurisdiction which this Consulate can have in the matter. I would unconditionally uphold the legal procedure of the British consular Court, insofar as I can understand the case, although it is evident that the Sava Kehaia people, for reasons best known to themselves, distrust the good faith of the British and prpbably would like to suspect them of desiring to wreck the American interests in the possible hope of freeing the mica concession for future British enterprise. This is only a guess, based upon the refusla of the Sava Kehaia group to take this

Consulate

Consulate into its confidence until such time as it seemed pleased to call upon this office for active interference in its behalf. How an American company can expect consular assistance without laying every detail of the business involved before the Consulate, is difficult to understand. It is probable that Mr. Sounios at Dire Dawa has been the cause of the mysterious attitude taken by the firm, since his actions and plans could not perhaps have borne close inspection. Had the Americans sought advice in the beginning they would not have given Mr. Sounios an opportunity to sell them the concession. He would have lost it in due course through failure to work it, had he not been fortunate enough to inveigle American capital into buying it, only to be defeated by the efforts of Mr. Sounios himself, who balked their mining operations with a view to selling the concession again. My opinion is that men of the Sounios stamp should be avoided by capitalists like the plague. In the interest of American capital, it would seem highly desirable for prospective investors in Ethiopia to work through official channels and deal with the Ethiopian Government, rather than with irresponsible adventurers. It is clear, moreover, from Mr. Bentinck's despatch No. 171, that the Ethiopian Government would like to free itself of the Sounios type of schemer. Ras Tafari's policy is exactly this, and he would not favor further negotiations between Americans and men like Sounios and Beghdassarian (of the Anglo-American Oil Company's affair), but would prefer to arrange matters in future with the resposnible American directors.

I cannot understand the circumstances surrounding the

the mica concession and its apparently chequered history, and feel that, since it has been shrouded in mystery from the beginning, since neither the British Minister nor myself seem able to probe its ramifications and since this Consulate appears to have no authority to assume jurisdiction as requested, there is no action to be taken.

I have the honor to be, Sir,

Your most obedient servant.

James Loder Park.

American Vice Consul.

Enclosures:

1. From Mr. Bentinck, June 7, 1927.
2. Minister's despatch No. 171.
3. Telegram from JANARHAND, New York, June 18, 1927.
4. Telegram to Mr. Bentinck, June 22, 1927.
5. Telegram from Mr. Bentinck, June 28, 1927.
6. Telegram to JANARHAND, New York, June 29, 1927.
7. From Mr. Bentinck, June 25, 1927.
8. From British Consul Maclean, June 25, 1927.
9. Judgment.
10. Extract from Indian Civil ~~Court.~~ Code.
11. Telegram to JANARHAND, July 8, 1927.
12. Telegram to Mr. Bentinck, July 8, 1927.

File No. 863

C O P Y.

British Legation,

Addis Ababa.

Juen 7, 1927.

My Dear Park:

I enclose part of a despatch I am sending to the Foreign Office as it concerns you. The rest of the despatch is about other matters (roads in the West etc.) with which it is not necessary to trouble you.

I had hoped to have passed through Aden already, but we have been held up. When I can get away, I hope we shall meet in Aden.

Best wishes,

Yrs. Very sincerely,

C. H. Bentinck.

Enclosure 2.

C O P Y.

No. 171. ADDIS ABABA,

June 6th, 1927.

Sir,

With refrence to paragraph 89 of my annual report for 1925, I have the honour to transmit copy of a letter received from a certain Mr. George Louizo, a British Cypriot, caliming to have secured the Sounios Concessions, and adding that a friend of his is shortly leaving for London, I presume in the hopes of persuading British capital to interest itself in the concession.

2. The situation regarding this concession is very obscure, but as far as I can ascertain the facts are as follows: Mr. Sounios, a Greek, who originally obtained the concession, granted it for exploitation to an American Company, the "Sava Kehaia Finance Trading Co" now called the "American Ethiopian Mica Mining Corporation". He reatined a certain interest in the company, acting as its local representative. Since Mr. Hipple's death the American company have taken no steps to resume operations, and Mr. Sounios has filed a suit against them with the ostensible object of forcing them to do so, or in default of obtaining rescission of the contract. At the same time the Abyssinian Government have taken steps to resume control of the original concession granted to Mr. Sounios, on the ground of failure to pay the proper taxes and of non-exploitation

The Rt. Hon,

Sir Austen Chamberlain, K. G.,

etc. etc. etc.

Enclosure 2

Mr. Sounios declares that he has averted this danger, on the strength of which, and also apparently, of an assumption that he is sure to win his case, he has given the power of attorney referred to in the enclosure. I hear however that it is by no means certain that he has "arranged" matters with the Abyssinian Government, whoare still likely to withdraw the concession. The American Company meanwhile have cabled their intention of defending the suit, and sending a representative to resume operations. Therefore, at the moment, it seems to me, Mr. Sounios has no power whatever to dispose of the Mica Concession (which belongs by contract to the American Company), nor to give irrevocable powers of attorney with regard thereto. To complete the tale of uncertainty, it may be added that Mr. Sounios reputation is none of the best, and grave doubts are expressed as to the standing of the American Company and as to their serious intention to exploit the Concession.

Enclosure 3.

Copy of a telegram received from

JANARHAND,

New York,

To:

The United States Consul,Aden.

-----oOo-----

June 18, 1927.

American Ethiopian mica mines corporation sued by Sounios British consular Court Addis Ababa cancellation concession returnable June fifteenth request you attempt arrange extension for our representative reach Abyssinia to defend case. stop if possible assume jurisdiction and have British court withdraw extension refused unless attorney employed demanding thousand dollars to make request representative will leave soon as extension assured reply paid

JANARHAND.

Enclosure 4.

Copy of a telegram sent from

The American Consul,

Aden, Arabia,

To:

The British Minister,

Addis Ababa.

Juen 22, 1927.

--------oOo--------

Your 171 thanks colon Kehaia sending representative immediately to defend case providing extension cancellation date assured period can you assure question Kehaia desires telegraphic reply period.

Park.

Enclosure 5.

Copy of a telegram received from

the British Minister,

Addis Abbaba, Ethiopia

To:

The American Consul,

Aden, Arabia.

June 28, 1927.

-------oOo--------

Your telegram June 22nd regarding Kehaia stop
am sending full details by post to which please reply
by telegraph

Minister

Enclosure 6.

Copy of a telegram sent from

The American Consul, at Aden,

To:

JANARHAND

New York.

June 29, 1927.

--------oOo---------

Requested extension Minister writing full details immediately No consular court Jurisdiction Aden will advise telegraphically

American Consul

Enclosure 7

British Legation,

Addis Ababa,

June 25th, 1927.

My dear Park,

With reference your telegram of June 22nd and to my reply of today regarding the Hipple Sounios Mica Concession, I enclose a full note by Maclean, togther with his judgment and the relevant law. I think all these documents should make the position clear to you. What I now want you to decide is whether you feel justified in charging Monsieur Paleologue on your own responsibility with the conduct of this affair? If not, can you extract a satisfactory reply from the Company in America within the specified period? Please telegraph me your decision.

Yours very sincerely,

C. H. Bentinck.

J. Loder Park Esq.

United States Consul,

Aden.

Enclosure 8

COPY.

Addis Ababa,

June 25, 1927.

His Majesty's Minister.

In connection with Mr. Loder Park's telegram I attach herewith the file of the American Mica case together with a copy of the judgment.

I would draw your particular attention to the following:-

The summons was sent by registered post on March 19th and must have reached the Defendants before the end of April. They therefore had a full month and a half before the date of the hearing on June 15 to take the necessary action (to facilitate which I enclosed a list of lawyers in my covering letter).

Their action was to say the least negligent; they did nothing until the end of May; then they telegraphed to Chanoit, but when he replied stating his terms they did not reply to him. They then telegraphed Paleologue, and when he replied stating his terms they did not reply to him. They then telegraphed to me asking for an adjournment, and I replied "awaiting reply to Paleologue's offer" but still no reply has come. Then they asked the Consul General in New York to telegraph me asking if adjournment had been granted to which I replied as stated in the judgment.

In spite of the fact that I was pressed to give an ex parte judgment on June 15th, and had no real ground for refusing, I ordered an adjournment of a week in the hope that Paleologue would receive his reply, in which case he could properly ask an adjournment to enable him to

receive

receive his instructions, which I would have been fully justified in granting.

As regards the steps which may now be taken, I attach a copy of the relevant extract from the Code of Procedure, from which you will see that if within 30 days the defendants show sufficient cause the ex parte decree may be set aside and the whole case started de novo, but upon such etrms as the court thinks fit to impose, and in view of the impression made upon me by the action of the defendants, I propose to impose rigorous ones.

Furthermore they must be represented and for their own advantage make this application as soon as possible.

I wonder whether Mr. Loder Park would feel justified (in the protection of American interests) in charging Paleologue with the conduct of this affair on his own responsibility?

Sd/- G. T. Maclean.

C O P Y. Enclosure 9.

IN THE COURT OF HIS MAJESTY'S CONSUL AT ADDIS ABABA.

Civil Suit No. 15 of 1927.

Anastassi B. Sounios vs. The American Ethiopian Mica Mines Corporation.

JUDGMENT.

In this case the plaintiff stated

that the Defendant Company by an agreement made on the 31st August 1925 took over from him the concessions held by him from the Abyssinian Government for the exploitation of certain Mica Mines:

that the Defendant by this agreement undertook to develop these mines, and that article III of the said agreement provided that should for any reason whatsoever the defendant company abandon the production or mining of mica within the said concessions, then the said concessions should be returned to the plaintiff together with all the improvements made therin and should become his absolute property, without any right on the part of the defendant company to demand from the said plaintiff repayment for any investment made or moneys advanced concerning the said concessions:

that after the death of the defendant company's representative, Mr. Frank E. Hipple on the 8th April 1926, the defendant company wrote on 30th April 1926 promising to appoint a successor to Mr. Hipple without delay, but since then have replied to neither telegrams nor letters sent by the plaintiff:

that

that in his telegram of 2nd August 1926 and in his letter of the 5th August 1926 the pleintiff warned the defendant company that continued refusal to reply would force him to take independent steps, and in his letter of the 31st January 1927 he informed them that he considered the agreement as broken by their action.

In view of the above the plaintiff claimed that the Defendant Company had in fact abandoned the concession and prayed for judgment that the concessions should be returned to him and that he should be given the costs of the action.

This action was instituted on the 19th March 1927 and the Defendant Company duly served with a summons, by registered letter, to appear on the 15th June 1927, this letter also containing a list of lawyers practising in Addis Abbaba.

On May 25th this Court received a telegram stating that Maitre Chanoit, one of the lawyers on the said list, was being instructed for the defence. In point of fact Me. Chanoit received a telegram asking him whether he was prepared to accept the case to which he replied in the affirmative but received no reply. Shortly afterwards Me. Paleologue another lawyer on the list received a cable asking him to undertake the defence, to which he replied on June 1st in the affirmative, but received no reply. On the 3rd June a telegram was received by this Court asking for an extension of time in order to send a representative from the United States in order to defend the acyion and to take over the control of the works. To this a reply was sent on the 8th June "waiting reply Paleologue's offer". On the 11th June a cable was received from His Brittanic Majesty's Consul General at New York,

asking

asking if adjournment had been approved, to which a reply was sent on the 14th June:- "As soon as the lawyer is appointed short adjournmentbfor arrival of instructions by post could be granted. No ground exists for granting long adjournment demanded."

An adjournment for a week from June 15th was however granted to allow time for a reply to be received concerning the appointment of a lawyer, but this period having expired and the plaintiff having demanded an Ex Parte Judgment, this is hereby conceded.

I therefore adjudge that the concessions referred to in the above Agreement have been abandoned by the Defendant Company within the meaning of Article III of the said agreement; that the property in the said concessions shall be considered to have reverted to the plaintiff in accordance with the terms of the said article, and that the Defendant Company shall bear the costs of this action.

Given at Addis Ababa under my hand and seal of the Court this twentythird day of June, 1927.

McLean

H. B. M. Consul.

C O P Y. Enclosure 10.

INDIAN CODE OF CIVIL PROCEDURE

Order 9, Rule 13.

Setting aside Decree ex parte.

13. In any case in which a decree is passed ex parte against a defendant, he may apply to the Court by which the decree was passed for an order to set it aside; and if he satisfies the Court that the summons was not duly served, or that he was prevented by any sufficient cause from appearing when the suit was called on for hearing, the Court shall make an order setting aside the decree as against him upon such terms as to costs, payment into Court or otherwise as it thinks fit, and shall appoint a day for proceeding with the suit:

Setting aside decree ex parte against defendant.

COMMENTARY.

OBJECT OF RULE. The first object and purpose for which Courts sit is , of course, that the parties shall be heard; and therefore the object of this rule is to ensure, within reasonable limits as to public convenience, that every defendant shall have a hearing (3) Similar provisions exist in the procedure of the English (4) and United States (5) Courts, the general rule being that, apart from cases where the defendant has not been properly notified of the hearing, that every decree may be set aside for unavoidable casualty or misfortune preventing the party from defending or prosecuting, or for fraud practised by the successful party in obtaining the judgment, or for mistake, inadvertence, surprise, or inexcusable neglect. (6) Applications of this character should therefore always be disposed of as substantial justice may require, and even where there is a doubt the benefit should be given to the applicant and the decree set asude. (1) Further, the Court has an

inherent

inherent power to deal with an application to set aside an order made ex parte, and to set it aside upon a proper cause being substantiated.

MAY APPLY. Under Art.164, Schedule II of the Limitation Act, the application should be made within thirty days from the date of executing any process for enforcing judgment. The burden of proof is of coyrse on the applicant(10). The very object, however, of an application under this rule is to show that evidence on the record cannot be used against the petitioner an the ground that it was taken behind its back, and therefore if the applicant makes out a prima facie case the opposite party must rebut it by evidence taken in the presence of the first party and subject to crossQexamination by him. Proof in support of the application may be given either by the oral testimony of the petitioner or by petition supported by an affidavit, And if the requirements of the rule are carried out the application cannot be refused on other grounds. A failure to make an application under this rule will not affect any other remedies which the party may possess.

SUFFICIENT CAUSE. The affiramtive provision in rr. 9, 13, and O. XLI. r. 19 that a plaintiff or appelant (as the case may be) may prove that he was "prevenoted by sufficient cause" from appearing or attending when his suit or appeal was called on and dismissed, do not imply the negative, namely that an application for restoration cannot be granted unless sufficient cause is shown. The effect of the enactments is that, if sufficient cause is shown, restoration is made obligatory on the Courts, there being no discretion in the matter; whereas in other cases the merits of the applicant's case will form an important element for consideration when the Court is asked to exercise its discretion. The Court has to determine the sufficiency of the cause, and this is a question not of law but of fact dependent upon the circum-

stances

stances of each particular case. No case can therefore be an authority in another, though previous decisions may sometimes help as a guide to Courts in determining what is sufficient cause. The rule should in this respect receive a liberal construction so as to promote the ends of justice, it being the spirit and policy of the law to give every party an opportunity of being heard, except in cases of inexcusable fault and neglect, when the Court has, as alraedy pointed out, a discretion to restore, even though the case be not such as render restortation obligatory upon it. It is, however, a general principle that the default will not be opened for reasons affecting a co-defendant only who does not join in the application.

----------oOo----------

Enclosure 11.

Copy of a telegram sent to

JANARHAND,

New York,

From:

The American Consul,

Aden, Arabia.

July 8, 1927.

----------oOo----------

Extension possible only by immediate application through Addisababa representative Consulate will assist wherever possible without assuming jurisdiction limit twentythird.

American Consul.

Enclosure 12.

Copy of a telegram sent from

The American Consul,

Aden, Arabia,

To:

The British Minister,

Addis Ababa.

July 8, 1927.

-------oOo--------

Cannot appoint without Kehaias authority telegraphed urgency today.

Park.

RECD
INDEX BUREAU

NO. 276

AMERICAN CONSULATE,

Aden, Arabia, October 18, 1927.

NOV 8 27

SUBJECT: Further regarding the suit of Sounios vs. The American - Ethiopian Mica Mines Corporation.

1—1055

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

SOLICITOR'S OFFICE
NOV 10 1927
DEPARTMENT OF STATE

884.63/17

I have the honor, further to my despatch No. 261 of September 19, 1927, to enclose copies of a private note from the British Minister at Addis Ababa, dated October 11, 1927, and its enclosure from Mr. G. T. Maclean in charge of the British Consular Court in the Legation, giving further light on the character of Mr. Sounios, and setting against this the merits of the case itself, which the Sava Kehaia Group appear not to have taken the minimum steps to defend.

884.63/18
INDEX BUREAU

I trust that the Department perceives no objection to my open dealings with the British Minister in such matters. I believe such action makes for better relations and wins for us the more willing support of the British. Naturally this would not have been done if there had been any trace of doubt regarding British disinterestedness. So far as I can determine, the Legation is doing its best, and I feel that it should be informed of the Consulate's view of the matter and encouraged when it does our work in evident good faith.

FILED
NOV 18 1927

It is unfortunately true that the way is now open for

British

Britsih activity in mica, but this was not the fault of the British court. My own opinion is that the court's requirements were reasonable.

I have the honor to be, Sir,

Your obedient servant,

James Loder Park.

American Vice Consul.

Enclosures:

Copies from Mr. Bentinck's note,
with Mr. Maclean's minute.

File No. 863

SID.

(COPY) Enclosure.

Addis Ababa,

October 11, 1927.

My Dear Park,

Many thanks for your letter of September 28 enclosing a copy of your despatch No. 261 to the State Department and for sending me a copy of your letter of September 28 to the Sava Kehaia people. I enclose a copy of Maclean's minute on the subject, which I think meets the case.

As regards the abbe you mention, I had not heard the story and it sounds most improabable. I am enquiring and will let you know if I hear anything.

Excuse haste, as I am leaving for Somaliland and Aden.

I hope we shall find you at Aden on November 1st.

Yours sincerely,

Sd. C. H. Bentinck.

J. Loder Park, Esq.,
American Vice Consul,
A d e n.

(COPY) Enclosure.

Enclosure in Mr. Bentinck's private letter dated 10.10.1927.

COPY

His Majesty's Minister.

I have no adverse criticism on Mr. Loder Park's despatch, which I think gives a very just account of the matter.

Unofficially I am prepared to believe that Sounios is a rascal of the deepest dye. Officially, if he brings a case, I am obliged to treat that case on its merits without regard to the reputation of the plaintiff, and consequently he was bound to get his judgment in the circumstances.

I would however wish to stress once more the casual attitude taken up by the Sava Kehaia group. As far as I can gather from Mr. Loder Park's letter, their reason for failing to defend their title was that they considered the lawyer's fee too high. As against this, I would point out that if their concession is not worth $1000 to defend, they are probably well out of it. Secondly, although they had ample notice, they did nothing until the last minute, and then asked for an adjournment in order to send a representative from America to defend the case, which in itself would be a fairly costly proceeding. But if they had advised me immediately on receipt of the summons that they were sending a representative and asked me to await his arrival I could have done so. As it was they laid themselves open to the suspicion of not acting in good faith and did not leave me any ground for refusing the damand of the plaintiff for an ex-parte judgment.

Even when that judgment was givenand Mr. Loder Park informed as to the only method available to reopen the case, he telegraphed them on July 8th and as far as I know did not

receive

 Enclosure.

receive a reply - at any rate no application to setaside the exparte judgment was received here.

Consequently I am still left with the opinion that Sava Kehaia was not serious in his intention to defend, and that however great a scoundrél Sounios may have been, he was justly entitled to his judgment on the material before the Court.

The matter is finished as far as the Consular Court is concerned, for the time limit for any appeal or application has elapsed.

Even if Sounios or his friends now try to exploit the concession with British capital, and the American group think it was a "put-up-job", my conscience is clear: I did all, and even a little more, than the law allows to try and ensure a full and fair hearing, and if they did not put in an appearance because of the cost, that is their look out.

Sd/- G. T. Maclean.

DOCUMENT FILE

NOTE

765.84/12

INDEX BUREAU

SEE 765.84/12 FOR #105

FROM Abyssinia (Southard) DATED Dec 4, 1928
TO NAME

1—1127

REGARDING:

Arrest of Tullio Pastori, Italian, because he undertook negotiations with American interests for the development of some of his mineral claims in Ethiopia which is a violation of the Fascisti policy.

Addis Ababa,
Ethiopia.

December 4th, 1928.

No. 105.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report the following incident as of interest in calculating Italian policy in this particular area.

One of the pioneering mining prospectors in Eritrea and Ethiopia is an Italian named Tullio Pastori. Pastori discovered the well known potash deposits in northern Ethiopia, near the Eritrean boundary and close to the little Red Sea port of Fatimari. These deposits were worked somewhat actively during the world war and

were at one time an object of interest to certain American chemical companies. The deposits are not now being worked partly because of business difficulties of the operating company and partly because of disputes as to the taxes required by the ruler of the Ethiopian province in which they are located.

A few months ago when in Addis Ababa Pastori informed me that he had spent over twenty years prospecting in Ethiopia. From other sources I learn that he is credited with the discovery of valuable platinum and gold deposits in this country. He endeavored to interest Italian capital in the development of these discoveries but has been unable to make satisfactory arrangements. There is an understood requirement in this area that any Italian planning development enterprise of any sort must employ Italian capital and talent. Whether this requirement has the force of written law I have not been able to learn. I have, however, learned that the local Italian Legation and the neighboring Governments of Eritrea and Italian Somaliland give it force in practice. I understand that the requirement is a part of Fascisti policy, written or unwritten, and that it is observed by every Italian who does not wish to be accused of disloyalty to the Fascisti cause.

Of interest in this connection is my Diplomatic Despatch No. 83 of October 24th, 1928, recording the disinclination

disinclination of the Italian Doctor A. Bevilacqua to sell his practice to other than an Italian upon the occasion of his departure from Addis Ababa.

Tullio Pastori recently undertook negotiations with American interests for the development of some of his mineral claims in Ethiopia. He stated that no Italian interests would give him a square deal as they knew the Fascisti requirement that he as an Italian must deal with them. Accordingly they would not make what he considered a fair offer. The local Italian Legation has been much interested and my Italian colleague endeavored on one or two occasions to elicit from me, by what he considered adroit questioning, the status of Pastori's negotiations with the American interests concerned. He learned nothing from me. First, I knew very little of interest and, second, I would not have told him had I known.

One of Pastori's associates told me several weeks ago that Pastori had been secretly warned that he had better not visit Italian territory or he would be arrested for the violation of Fascisti policy by negotiation with alien interests for capital to develop his Ethiopian properties. A few days ago while discussing another question I learned from my Italian colleague here that Pastori had lately come under arrest in Asmara. By making inquiries in private sources I have learned that Pastori ventured too near

the

the Eritrean frontier and that Eritrean gendarmes, with connivance (paid for, of course) of the Ethiopian provincial authorities, made a hurried trip into Ethiopian territory and arrested him. The charge against Pastori I have not learned but it would, naturally, be nominally different from the actual one of defiance of Fascisti policy.

While I am not in a position to know complete details I find the strongest sort of circumstantial evidence that Pastori was arrested in order to force him to use only Italian capital and activity in the development of his mineral claims in Ethiopia. This is, of course, quite in line with the very evident Italian determination to make Ethiopia as completely as possible a field for Italian economic development. Evidently the originally considered policy of possible military coercion has been replaced by a policy of more or less peaceful penetration backed up by the Fascisti method of forceful persuasion of Italian subjects as suggested in the paragraphs above.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUCHARD.

File No. 800/801.B.
AES/sid.

A true copy of the signed original.

Catch

884.63/20

Make precedent

~~as~~ Spcial mission

Wimbee

884.63/20A,20B,20C,21,22

CHANGED TO 884.51 A SALEH, GABRIEL

DOCUMENT FILE

NOTE

884.63/23

SEE 884.51 A Saleh, Gabriel E.R./7 FOR letter

FROM Anaconda Copper Co. (Kelley) DATED Oct.9, 1930
NAME

TO

REGARDING:

Desires information concerning report that Gabriel E.R. Saleh is the representative of the Anaconda Copper Company in Ethiopia.

INDEX FILED

W1

new
884.6362
nuta 848X.636R

NO. 88.

1897

AMERICAN CONSULATE,

Aden, Arabia, October 19, 1925.

SUBJECT: Coal Deposits of British Somaliland and Abyssinia.

Copy hered and one copy of enclosure sent to Bur'd of Mines Foreign Mineral Section, D. D. Johnson in charge. copy of enclosure to Comm. NOV 20 1925

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

I have the honor to refer again (previous reference, despatch No. 68 of June 10, 1925) to the Department's special Instruction of April 3, 1925, concerning information required by the United States Geological Survey upon the subject of certain coal deposits in British Somaliland and Abyssinia. The following report is the result of extensive inquiries, by correspondence, in connection with British Somaliland, and by both correspondence and numerous personal interviews in Abyssinia.

BRITISH SOMALILAND.

At the request of this office for information on the subject of coal deposits in British Somaliland, the Secretary of the Administration of that Protectorate referred the Consulate to the "Report on the Geology and Mineral Resources of British Somaliland" by Mr. R. A. Farquharson. Copies of this report were obtained from the Crown Agents for the Colonies, at 4, Millbank, Westminster, London, at the price of five shillings each. This report was found to deal lucidly and comprehensively with the subjects of

. coal

coal and lignite, and since there is no other information available, three copies are being transmitted herewith, as a part of the present despatch. The report is supplemented with a very good map of British Somaliland.

ABYSSINIA.

Little has been learned, and less, published, to the knowledge of this Consulate, regarding coal in Abyssinia. By correspondence and personal interviews with Europeans who have been in Abyssinia for many years, it has been found that coal deposits exist in all the regions mentioned in the memorandum from the United States Geological Survey, namely, around Lake Tsana (notably at Chalga), along the Didessa River and between Ankober and Debra Libanos, north of Adis Abeba.

The only definite information regarding coal in the regions named has been obtained from an Armenian, Mr. Samuel Beheamilian, formerly interpreter of the American Legation and Consulate at Adis Abeba, who was called upon, in 1906 to translate the report made to the Emperor Menelik II and a Mr. F. Marquardt, a German engineer who had been commanded to survey for coal in the country north of Adis Abeba.

Mr. Marquardt reported in 1906 that coal of fair quality existed in long seams between Debra Libanos and Ankober. The samples found at various outcrops were only of medium quality, but there was every indication that excellent coal would be found beneath. Mr. Marquardt

had

had lacked the means and equipment properly to examine and measure the number and extent of this series of coal beds, but he reported officially that in his opinion, enormous quantities of good coal existed, and that mining alone can adequately demonstrate the truth of his statements. Indeed Mr. Marquardt urged the Emperor to develop his coal, since it was undoubtedly one of Abyssinia's greatest sources of wealth.

Debra Libanos and Ankober

The Franco-Ethiopian Railway attempted to use some of the surface coal taken from the Debra Libanos outcrops, but without success. It was too slatey to burn alone. Probably for this reason no serious endeavor was made by foreigners to invest.

As for the deposits near Chelga, north of Lake Tsana nothing more definite can be learned by this office than that "the deposits are numerous and probably very rich, and the quality even at the surface is good".

Chelga

No information was obtained about the reported deposits on the Didessa River. There is no evidence that a proper survey has ever been made. If such has been the case, it is said to be more than likely that particulars have been kept secret.

Didessa River

In

In addition to the above named deposits, coal and lignite were reported to this office by various students of Abyssinian minerals, notably Mr. Kh. B. Papazian of Adis Abeba, to exist near Sokota, which lies 125 miles east of Chelga, and in the provinees of Gojjam, Jimma and Harrar. In the Gojjam Province, coal of undetermined quality and extent has been seen more especially in the Damo region, in an area roughly enclosed by Assi, Matakee, Buri and Mabil. This report is the result of many years of desultory and casual observation by foreign travelers, rather than the definite result of any special surveying mission.

Other Coal Deposits

In Jimma Province, seams of coal are reported to lie about midway between Adis Abeba and the Sudan frontier, on a line running due southwest from Adis Abeba.

The Harrar coal deposits are somewhat better known, owing to numerous careful surveys made within recent years in connection with mica. Although coal and lignite are said to be widely and richly distributed throughout the Harrar Province the reports concerning the deposits are still kept secret, in the hope that sooner or later the finders of the coal may be able to realize profit from their exclusive knowledge.

The foregoing report is, of course, exceedingly indeterminate and inconclusive. The reason has already been intimated, namely, that findings are not published for general information, under government auspices, but

are

are rather jealously guarded by the private interests who have financed or otherwise obtained the results of the various surveys thus far made. It is difficult to describe the chaotic state of affairs in Abyssinia. The country, since the death of Emperor Menelik II, has enjoyed no stability of government. The outside world, fully aware of the numerous mineral potentialities, have repeatedly endeavored to tap the known mineral deposits, but have hitherto miserably failed to achieve any tangible result. The Government, weakened by factions and antipathies in the royal family itself, has been a willing partner in the numerous intrigues and money-making schemes proposed by unscrupulous foreign adventurers. Surveys are made by these promoters, and the reports are carefully guarded by them until some innocent foreign capitalist purchases the discoveries in all good faith, not realizing that the difficulties of actual operation are insurmountable. Thus no honest, straightforward, authoritative information is ever obtainable regarding the mineral deposits of Abyssinia. The country is cursed with concessionaires, concession-seekers and concession manipulators, who remain in the country and make their living, and often enormous fortunes, in the perpetual endeavor to entrap foreign capital. They act with the knowledge and tacit consent of the Government. Consequently there is no recourse for disillusioned foreign capitalists except to write off their losses. Until foreigners learn to deal direct with the Government, and

are

are unreservedly supported by their respective national representatives, who are ready to fight for their rights, little can be learned about mineral deposits, and nothing of a practical or profitable nature can be achieved.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park

American Vice Consul.

Enclosure:

3Copies of Report by

Mr. Farquharson on British Somaliland.

File No. 863.

A-4c

84.6362

INTER DEPARTMENTAL
MAR 25 1925
Dept. of State

ackd in reply
Copy of memo-
randum to Vice
Consul at Aden
by Instr.
3-27-25
HCC/ABB.

DEPARTMENT OF THE INTERIOR
UNITED STATES GEOLOGICAL SURVEY
WASHINGTON

March 24, 1925.

10266

Mr. Addison E. Southard,
Consular Commercial Office,
Department of State.

DEPARTMENT OF STATE
MAR 20 1925
FILED
APR 11 2, 1925

84.6362

INDEX

My dear Mr. Southard:

I have found in the literature on the mineral resources of Abyssinia several references to the occurrence of coal in that country. The data available are very unsatisfactory and I should greatly appreciate it if you could assist me in getting the additional information desired. The data available are summarized on an accompanying sheet as well as the data desired.

Yours very truly,

B. L. Johnson,
Geological Survey Representative,
Economic Liaison Committee.

1 Inclosure.

FILED
APR 8 1925

RGC:ABB
4-6/8

Mar - 8 1925.
Mar 30, 1925, pm

A true copy of the original

The United States Geological Survey has information to the effect that coal deposits exist in several places in northwestern Abyssinia. Several of the occurrences are in the vicinity of Lake Tsana. At Chelga, 18 miles north of the lake, seven lignite beds 6 to 21½ inches thick are reported. Other coal bearing areas are said to occur on the Didessa River, and in Shoa Province near Ankober, Adis Abbeba, and Debra Libanos.

The Survey is desirous of obtaining all the information possible regarding the above occurrences. The data desired regarding each occurrence are the exact location of the deposit, number of coal beds, thickness of each coal bed, area underlain by coal, character of the coal, and analyses of the coals if any are available.

April 2, 1925

In reply refer to
A-C/C - 102.66/[redacted]
/175
/176

Mr. B. L. Johnson,
Geological Survey Representative,
Economic Liaison Committee,
Department of the Interior.
Washington, D. C.

Sir:

The receipt is acknowledged of your three letters dated March 24, 1925, requesting that the appropriate representatives of this Department be directed to investigate and to submit such information as may be procurable concerning coal deposits in British Somaliland, Abyssinia, and the Anglo-Egyptian Sudan, and in reply you are advised that the American Consular officers at Aden, Arabia, and Cairo, Egypt, are being informed of the contents of your letters under reference with directions to endeavor to ascertain and report promptly all

84.6362/a

HC :ABF
-C/C

all available accurate information in response to your request.

I am, Sir,

Your obedient servant,

For the Secretary of State:

Assistant Secretary.

HCC:ABF

A-C/C

FA

NE

April 8, 1925.

James L. Park, Esquire,

American Vice Consul,

Aden, Arabia.

Sir:

You are directed, at the request of the United States Geological Survey of the Department of the Interior as expressed in the enclosed copies of two memoranda, to endeavor to ascertain and report all accurate information which may prove to be available concerning the coal deposits of Abyssinia and British Somaliland.

I am, Sir,

Your obedient servant,

For the Secretary of State:

LELAND HARRISON

Enclosure:
Copies of two
memoranda.

102.66/~~[illegible]~~
/176

HCC:ABF

A-C/C

FA

NE

CR

A true copy of
the signed original

884.6362

NO. 68

AMERICAN CONSULATE,

Aden, Arabia.

Copy to Geol. Surv. with ltr. to it's letter of 3/24/25

June 10, 1925.

SUBJECT: Necessary delay in submission of report on coal deposits of Abyssinia and British Somaliland.

1—1055

INDEX BUREAU JUL 10 25 DEPT. OF STATE

JUL 14 1925

DEPARTMENT OF STATE A-40 JUL 14 1925 ASSISTANT SECRETARY OF STATE

DEPARTMENT OF STATE A - O/O JUL 11 1925 ASSISTANT SECRETARY OF STATE

INDEX BUREAU JUL 29 1925 M FTD HD

884.6362/2

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to the Department's 10266/175 special Instruction dated April 3, 1925, directing this office to submit all accurate information available concerning certain coal deposits in Abyssinia and British Somaliland, as suggested in the copies of two memoranda from the United States Geological Survey of the Department of the Interior.

In reply I would respectfully inform the Deaprtment that there will probably be a delay of approximately one month or six weeks from this date in the preparation of the above mentioned report, on account of the difficulty of collecting information from authoritative sources. The Secretariat of British Somaliland has already very kindly pointed out sources of information, which are now being energetically pursued. No reply has yet been received from the Consulate's correspondents in Abyssinia, but a response is anticipated in the near future.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park,
American Vice Consul.

863.

10845 T.A.
A6 Copy to Commerce (Wm Farley)
" " Geol S.
" " Navy, Thru N.I.D.
ACM 6/17/20.

No. 9637.

INDEX BUREAU
CONSULAR BUREAU
AUG 18 1920
DEPT OF STATE

AMERICAN CONSULATE GENERAL,

London: England.

May 25, 1920.

NOV 22 1920

SUBJECT: ~~CONFIDENTIAL.~~

Standard Oil Company - Explorations in Abyssinia.

Office of Foreign Trade Advisory
DEPARTMENT OF COMMERCE
JUN 9 1920
A.C.M.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to report, as a matter of interest, that the Anglo-American Oil Company, which, as the Department well knows, is the British branch of the Standard Oil Company, is sending out an expedition to Abyssinia for exploration purposes.

This expedition is composed of Major S.S. Rooney, Doctor Barnum Brown, Mr. George W. Powell, all American citizens, and Mr. S.S. Shepperson, a British subject.

I understand that the concession under which the contemplated exploration is authorized was granted, in the first instance, to the Persian Consul General in New York, and will lapse shortly unless exploration work is begun. Consequently the gentlemen named are being sent forward at the earliest practicable moment with the necessary machinery, and without much doubt will make a thorough test of the region covered by the concession.

INDEX BUREAU
AUG 20 1920

I have the honor to be, Sir,

Your obedient Servant,

Robert P. Skinner

American Consul General.

863. RPS.MH.

884.6363

NOTE

SEE 123 So 8 / 62 Tel 5 P.M. From London
June 7,1920

For Report regarding Anglo American Oil expedition to Abyssinia, recommends Consul Southern accompany the party.

INDEX BUREAU
884.6363/1

Pr

INDEX BUREAU
JUL 21 20
Dept. of State

DIVISION OF
MEXICAN AFFAIRS
JUL 20 1920
Department of State

TA
Eagle

No. 9716.

AMERICAN CONSULATE GENERAL.

LONDON: ENGLAND.

June 8,1920.

SUBJECT: AMERICAN OIL EXPLORATION IN ABYSSINIA.

11142

Division of Foreign Trade Advisers
JUN 25 1920
DEPARTMENT OF STATE

#6 Copy to Commerce
" " Geol S.
" " Navy. V
ACM 6/23/20

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

~~CONFIDENTIAL~~

~~Not for publication.~~

SIR:

123 S8 1/12

I have the honor to refer to my telegram of June 7,1920 stating briefly that an exploring party representing what is to all intents and purposes, the Standard Oil Company, would reach Aden within the next few days en route to Abyssinia, and suggesting that the American Consul at Aden who is understood to have Abyssinia more or less under his observation,, be instructed to accompany the party, in order that the real solidity and importance of the undertaking might be understood, or more particularly in order that our fellow citizens might have some American official representative on the spot in the event of any discussions arising between them and the Abyssinian Government.

INDEX BUREAU
884.6363/12

For the further information of the Department, I am enclosing herewith a copy of a letter dated June 7,1920, addressed to me by Mr. Charles E. Dudley of the Anglo-American Oil Company,Limited. The Anglo-American Oil Company, as the Department no doubt knows, is a British Company practically owned by the Standard Oil Company. In this letter Mr. Dudley furnishes all useful particulars with regard to the Concession in Abyssinia and present plans for working it.

AUG 28 1920
Petroleum Affairs

The/

The Concession is dated August 26th 1915 and one of its conditions is that work must be commenced before August 26th 1920. As the Concession was only brought to the attention of American Oil interests a few weeks ago, it was indispensable that practical steps be taken immediately, and therefore a steamer has been despatched to Jibuti with oil-drilling machinery on board and an exploring party have already proceeded on a passenger steamer as stated above.

I look upon the enterprise as the most important commercial undertaking ever organised for business purposes in Abyssinia, as it is backed by an abundance of capital and represents no political interest of any character. It seems to me, therefore, very important that during the initial stages of the exploration, we should have someone in Abyssinia to whom our fellow citizens can appeal in certain circumstances and while the presence of the American Consul at Aden would answer all immediate requirements, I suggest that the time has come when we should be permanently represented at Addis-Ababa.

As the Department knows, for many years we have had a very large trade in Abyssinia in American sheeting, indeed the largest trade of the country, and we are importers of the few raw products which Abyssinia has to sell.

The American Oil interests now under consideration have taken up a Concession for a comparatively small area, but it is proposed to explore the country thoroughly, and if oil is found in sufficiently large quantities, to lay a pipe line to the coast and to make other arrangements for handling the business upon a comprehensive scale.

I am very hopeful that under these circumstances the

Department/

Department will be inclined to take some action in the sense of the foregoing suggestions.

[etc.]
I have, ~~the honor to be, Sir,~~

~~Your obedient Servant,~~

Robert P. Skinner

Robert P. Skinner.

~~American Consul General.~~

125.8
RPS/ML.

Enclosure:

Copy of a letter from Mr. Chas. E. Dudley.

COPY.

36 Queen Anne's Gate,
Westminster,
London, S.W.1.

June 7th 1920.

Consul General
R.P.Skinner,
18, Cavendish Square,
London,W.

Appointing a Consular Representative in Abyssinia.

Dear Mr. Skinner:

Following our conversation of to-day, I beg to advise you of the following details of the Expedition now on its way to Abyssinia, in connection with a Petroleum Concession in that country.

Messrs. H.H.Topakyan formerly Persian Consul General in N.York, and Hagob Baghdassarian, brother-in-law of the present Empress of Abyssinia and formerly Controller of the Mint in Abyssinia, are holders of a Mineral Concession including Petroleum, direct from the Abyssinian Government in the Province of Harrar, Abyssinia. This Concession is dated August 26th 1915 and runs for 50 years, but a special condition is that work must be commenced within a period of 5 years, that is before August 26th 1920.

Owing to the War the Concession holders have been unable to commence work and they approached the undersigned and Associates with a view of obtaining assistance to not only validate the Concession by preliminary work, but also to actively develop same provided the conditions justify.

While the Concession covers all Mineral rights in the Province of Harrar, the undersigned has only obtained the Petroleum rights. The terms are that work is to begin as soon as possible, but not later than August 26th 1920. The Abyssinian Government is to receive 8% in value of any results obtained and the remainder is to be divided between the two Concessions holders above and the undersigned, in the proportion of 25% and 75%. As a consideration, the undersigned and Associates have agreed to spend not less than £25,000 in the expense of an expedition to render the Concession valid, by endeavoring to develop the Petroleum deposits if any.

A small expedition therefore, left Marseilles on the 5th inst. for Addis-Ababa via Jibuti. On arrival their first object will be to confirm the Concession rights with the Abyssinian Government and to announce their intention of immediately proceeding to work same. Following them, and leaving here not later than Thursday or Friday of this week, will be a competent Oil-well Driller and assistant, together with the necessary machinery for a preliminary test Well. This apparatus and the Personnel will go direct by steamer to Jibuti and from there to the Interior. The first work will probably be done in the vicinity of Adde-Gala on the Railway at a point about 9 miles from the line, and where Petroleum indications have been reported.

A/

A prominent member of the Expedition is Dr. Barnum Brown of the American Museum of Natural History in New York, a Scientist and Geologist who has conducted several expeditions in the Western States, Cuba and South America for the American Institute and the recovery of fossil specimens of great value. Dr. Brown has written in the Geographic Magazine at some length on his previous expeditions. His work with this expedition will be to investigate the geological formation of the country comprised in the above Concession with a view to advising as to further development, if in his opinion, the indications will justify.

I am this morning in receipt of a letter from Hagob Baghdassarian from Marseilles urging strongly that, in view of the American character of the expedition, that the American Consul at Aden be requested to accompany the members of the expedition to Addis-Ababa and give them what official assistance he can. If this can be arranged it will be of great service, and should only be the forerunner of the appointment of a permanent representative of the American Consular Service at Addis-Ababa.

In this connection, and in order that time might be saved, I would strongly recommend that Major S.S.Rooney, an American citizen and late of the U.S.Army, who accompanies Dr. Barnum Brown, be at least temporarily appointed American Consular representative at Addis-Ababa until a successor can be appointed and reach the country.

With the above facts before you, I trust that you will be able to communicate with the Department in Washington in such a manner as will ensure the expedition being supported, as I feel that the interests involved are to a certain extent, national.

Thanking you in anticipation,

Yours very sincerely,

(Sgd.) Chas. E. Dudley.

MG

TELEGRAM RECEIVED.

FILE SLIP DISTRIBUTION

81—945

FROM SPECIAL GREEN

London,

Dated June 25, 1920.

Rec'd 2:34 p. m.

Dept. of State
JUL 26 1920
DIVISION OF
EASTERN AFFAIRS

JUN 26 1920
Dept. of State

Secretary of State,

Washington, D. C.

Office of Foreign Trade Advisor
JUN 28 1920
DEPARTMENT OF STATE

985. June 25, noon.

Your 657, June 21, 4 p.m.

Have consulted with Anglo-American oil officials and Consul General.

Company states that an Abyssinian of rank together with Topakyan former United States Consul General in Persia hold fifty year concession from Abyssinian Government dated August 26, 1915 for minerals including petroleum upon which work must be commenced before August 26, 1920 fulfillment of which has heretofore been delayed by the war. Holders approached Anglo-American for assistance and latter has obtained petroleum rights therein. As small expedition, of which Doctor Brown, of American Museum of National History is a member, left Marseilles on fifth for Adis Ababa while drilling personnel and machinery leave England this week and their intention is to confirm rights and immediately proceed to work. In view of

(American)

INDEX BUREAU
884.6363/3
Filed
JUL 28 1920

TELEGRAM RECEIVED.

FROM

American character of expedition company urgently bespeaks American Consular representation there to insure necessary or opportune assistance.

Consul General and I concur in Department's opinion that should American Consular officer accompany expedition as originally requested an appearance of official support would be given which would be inadvisable but we believe that such an expedition involving so important a commodity should have immediate access to consular assistance and advice and that the Consul at Aden who is also accredited Abyssinia might very properly be directed to proceed there at or shortly after time of arrival of expedition. If circumstances then warrant and the Consul be unable to remain indefinitely it would seem advisable to make a permanent designation.

DAVIS.

TELEGRAM RECEIVED.

TA
eglish

61—945

FROM

MG
EX BUREAU
Rec'd
JUL 15 1920
Dept. of State

GRAY

London,

Dated July 14,1920.,

Rec'd 4:13 p.m.

Office of Foreign Trade Advisor
Filed JUL 15 1920
DEPARTMENT OF STATE

aem

CONSULAR BUREAU
JUL 21 1920
DEPT. OF STATE

Secretary of State, Instruc. drafted

Washington, D. C. 7/16/20

Important. July 14, 3 p.m.

My 9716, June 8 in relation to the Standard Oil Company in Abyssinia. Anglo-American people send me letter received from Rooney, head of the exploration party, stating " most we fear is British Legation and British companies will try to run us out probably by forcing Prince Regent to annul concession." I renew hope that consular appointment to Addis Abbeba will soon be made.

SKINNER.

HG

INDEX BUREAU
894.6363/14
JUL 27 1920
DEPT. OF STATE

the signed original.

894.6363/14

aem

RPB
DRW

JUL [illegible] 192[illegible]

No.

Robert P. Skinner, Esquire,

American Consul General,

London, England.

Sir:

Reference is made to your telegram of July 14, 1920, relative to information received by you from the Anglo-American Oil Company regarding their oil concession in Abyssinia.

You are informed that the Department has given the American Consul at Aden permission to visit Abyssinia.

I am, Sir,

Your obedient servant,

For the Secretary of State:

[illegible]

884.6363/4

TA

884.6363/4

ACM:MHM

TA

File 13452

Department of State
AUG 12 1920
DIVISION OF
FAR EASTERN AFFAIRS

CONSULAR BUREAU
AUG 10 1920
DEPT OF STATE

No. 391.

AMERICAN CONSULATE,

Aden, Arabia, June 21, 1920.

SUBJECT: Exploitation of Abyssinian Oil Concession by Anglo-American Oil Company.

JUL 31 1920

Office of Foreign Trade Advisor
JUL 27 1920
DEPARTMENT OF STATE

~~CONFIDENTIAL.~~

AUG 12 1920

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Not for publication.

SIR:

I have the honor to refer to the Department's telegraphic instruction of June 11, 6:00 P. M., and to state that the representatives of the Anglo-American Oil Company referred to therein, arrived in Aden on the night of June 15, 1920, by the P. & O. S. S. KALYAN from London. As instructed the views of this Consulate are forwarded in the following paragraphs.

The party consisted of Major S. S. Rooney, Dr. Barnum Brown, Mr. George W. Powell, American citizens; Mr. S. S. Shepperson, a British subject; and Mr. H. M. Baghdassarian and his interpreter, Armenians. They called at this Consulate and such information and advice relative to Abyssinia as it seemed might properly be given was offered for the consideration of the American members of the party. The party was in Aden June 16 and 17, departing by steamer for Djibouti, French Somaliland, on the evening of June 17. All of them expect to depart from Djibouti on the morning of June 19 for the rail trip of three days to Adis Abeba. There they will acquaint themselves with the status of their concession and await the arrival at Djibouti of the S. S. SOUTHWICK -- expected about July 1 -- which

Filed
OCT 20 1920

which is an Anglo-American Oil Company ship bringing out their equipment, including a small drill for making test oil wells. They will then proceed to the indicated oil-fields in Harrar province, about a day's journey inland from Djibouti, and make their examination and test wells.

The party has with it various presents for the Abyssinian royal family and officials. The presents include two diamond necklaces, three gold watches, a silver tea-set, two small electric lighting plants (French make), two cinema projecting outfits (French make) and minor items. This is to comply with the established custom of giving presents to the Abyssinian government when planning to establish business and other connections in the country. This practice is followed by all concessionaires in Abyssinia.

The party calls itself the Dudley Scientific Expedition to Abyssinia, a name which is probably meant to conceal its real nature or purpose. Such concealment will, however, be of little use when the company's ship arrives at Djibouti to discharge cargo including oil-well drilling equipment.

Mr. H. M. Baghdassarian, an Armenian of many years residence in Abyssinia, holds the concession under which the company plans to work. This concession is understood to have been obtained directly from Ras Tafari, Prince Regent of Abyssinia, to cover the province of Harrar and to expire in five years unless active exploitation work shall have been undertaken before. The five year period will, it is understood, expire in August of the present year.

Mr.

Mr. Baghdassarian went to London with this concession and enlisted the interest of the Anglo-American Oil Company. It is understood that he will receive a 16% royalty and that 8% royalty will be paid to Ras Tafari, the Prince Regent, as representing the Abyssinian government. Mr. Baghdassarian, the Armenian concessionaire, has been known to the undersigned for a period of nearly three years and so far as has been observed his business ethics are reasonably good although, as in the case with many of the Armenian and Levantine traders in this part of the world, he would probably not be above sharp practice in any instance where his own interests were importantly and directly involved. In the present instance it would seem decidedly to his interest that the Anglo-American Oil Company be permitted to exploit the concession in question. On the other hand there is the possibility of an attempt by the Prince Regent and Baghdassarian to permit, for a consideration, one of the British companies with whom Baghdassarian has previously negotiated with reference to his concession to claim by preemption any commercial oil well brought into existence through efforts of the Anglo-American Company. If the British company were to offer more than the present Baghdassarian and Ras Tafari royalties of 16% and 8%, respectively, this situation might develop. The representatives of the American company are, however, forewarned.

This Consulate had heard that Baghdassarian had previously negotiated with two British companies established in Abyssinia -- the Abyssinian Corporation, Limited, and the Abyssinian Development Syndicate,

Limited,

Limited -- for the exploitation of his oil concession. He admitted having approached and made what he called tentative arrangements with one of these companies when asked directly about it by the undersigned.

It is also reasonable to assume, from this Consulate's idea of Abyssinian mentality, that Ras Tafari would much desire the definite establishing of American commercial interests in Abyssinia, with the hope that he might be able to use the circumstance indirectly at least to interest the American government in disapproving any usurpation of Abyssinian sovereignty or territorial integrity by the British, French, and Italian governments of which he has considerable fear. In this connection reference is respectfully made to this Consulate's despatches Nos. 265 and 267 of April 20 and 22, 1919, respectively.

The British companies referred to above, whose representatives appear to take the attitude that Abyssinia is their special commercial preserve, are believed not likely passively to accept the present situation leading to the exploitation of the Baghdassarian oil concession by the Anglo-American Oil Company. What obstructing steps they will take, if any, are, of course, a matter of conjecture. It is believed that they will first, either directly or through the British Legation at Adis Abeba, attempt to convince the Anglo-American representatives that Baghdassarian is unreliable and is only using them to start actual development of his concession and demonstrate its value. On the other hand they may influence the British Legation to attempt to browbeat, in the usual manner, Ras Tafari into suspending or

rescinding

rescinding the concession. Ras Tafari might not wish to do this but by various methods, aided and encouraged by his own lack of strength, the various Legations in Adis Abeba have occasionally in the past found it possible to browbeat him into acting as they directed in matters of this sort. For instance, the French Legation may have succeeded in obtaining some concession for a French citizen which was not approved by the British Legation. The British representative when the time seemed opportune would be able in some cases to bluff Ras Tafari into revoking his concession to the Frenchman. British influence temporarily waning, the French representative would again go to the palace and secure a restoration of the concession, etc., etc., ad infinitum. This situation while not a common one is always a possibility.

In the case of the Anglo-American Oil Company if Ras Tafari now approves their exploitation of the concession it is probable that an American official representative in Adis Abeba could counteract any undue pressure brought by a British or other national representative to interfere with the work. Judging from past history of concessions in Abyssinia it is probable that if the Anglo-American Oil Company does establish definite interests there the presence of an American Consular or other officer from time to time at the Abyssinian capital would materially assist in causing the government to adhere to a square deal for the American interests involved. Without the moral effect afforded by the actual presence of an American official representative in Adis Abeba, it is probable that the American company would find it necessary to buy the support of the Abyssinian government and pay well in cash for it

from

from time to time.

The establishing of definite and important American commercial interests in Abyssinia would obviously be a great asset to the promotion of American commercial interests in general throughout this Red Sea district. Useful and probably sufficient direct support could be given by this Consulate to such as the Anglo-American enterprise, if authorized, without necessarily committing or involving the Department. The officer in charge at this post is acquainted with the rulers and leading officials in Abyssinia and could, it is believed, in connection with this circumstance, offer to them informal advice and argument which would hold the Abyssinian government to such agreement as it might originally make with the Anglo-American Company's representatives; and likewise with any other American company which may become interested.

The foregoing views are all that this Consulate may reasonably express at present. A more definite and complete idea of various phases of the matter could doubtless be obtained by at least a brief visit of the undersigned to Adis Abeba, suggested in this Consulate's telegraphic despatch of June 13, 11:00 A. M. The visit is suggested not only in the interest of this particular matter but in the interest of investigating as well other business and political activities of which rumors have been received at Aden in the past year. It is usually possible to hear in Aden of any important event in Abyssinia, but it is not often possible to obtain here a full and accurate

account

account thereof owing to the fact that persons coming through and giving information usually color, intentionally or unintentionally, their views in accordance with their own selfish or national interests.

Further report and comment will be submitted when definite information is received as to the progress of the Anglo-American Company's enterprise in Abyssinia.

I have the honor to be, Sir,

Your obedient servant,

American Consul.

File No. 860.

DEPARTMENT OF STATE
AUG 18 1920
DIVISION OF
WESTERN EUROPEAN AFFAIRS.

863.6363

No. 9904.

AMERICAN CONSULATE GENERAL,

London: England.

Department of State
AUG 14 1920
DIVISION OF
NEAR EASTERN AFFAIRS

863.563

SUBJECT: American Search for Oil in Abyssinia.

Noted on Efficiency Record.

A6 Copy to Commerce
" " Geol. S.
" " MID 20-8-8-20

File
ACM

THE HONORABLE ACM 8/2/20

THE SECRETARY OF STATE,

WASHINGTON.

AUG 2

SIR:

Not for publication.

I have the honor to refer to my telegram of the 14th instant in regard to possible difficulties in connection with the explorationfor oil being undertaken in Abyssinia on behalf of the Standard Oil Co, and to enclose herewith an extract from a letter received at the offices of the Anglo-American Oil Co in London from Major Rooney, who is with the exploring party, in which he sets forth the position in Abyssinia, as he now understands it.

In view of possible opposition to the appearance of American interests in this field, I renew a very strong recommendation that a competent official representative of the United States be designated to proceed to Addis Ababa with a watching brief at the very least.

I have the honor to be, Sir,

Your obedient servant,

Albert Stimes

American Consul General.

Filed
OCT 20 1920

863.RPS.BC
Enclosure:- extract from Major Rooney's letter.

863.

Extract of letter from: Major Rooney, [illegible] June 17th 1920.
Aden.

"We arrived here on the night of the 15th and have been staying at the Grand Hotel Royal. The next morning we called on Mr.Addison E.Southard, the American Consul General, in whose jurisdiction Abyssinia is, and found him a very fine type of American - keen, well educated, energetic, affable and well informed concerning Abyssinia, which country he has visited twice.

"The country is governed by a triumvirate composed of the Queen, the Prince Regent, and the Minister of War, Hapta Giorgis, a Galla. The Prince is young and progressive, the other two are reactionary. Hapta Giorgis is a power, resolute, determined and fearless, but feudal in his ideas and disliked by most of the country. He however controls the army. Baghdassarian does not like him and did not mention him.

Gossip has it that the British want that portion of the country where the Blue Nile rises, the Italians want Tigre, and the French want the provinces along French Somaliland; and of course there is incessant intriguing and quarreling among them. The British and Italians usually unite against the French. The Prince grants a concession to one and the others fall upon him and bulldoze him into rescinding it.

Two of the largest concerns in the country is the Abyssinian Corpn and the Abyssinian Development Company, which apparently have a mineral concession for the whole country including the territory covered by the Baghdassarian concession. The Development Company boast that they will tolerate no one else in Abyssinia and the British Legation will back them to a finish in fighting outsiders.

Apparently then the most we have to fear is from the British Legation and the British Companies who will try to run us out, probably first by forcing the Prince Regent to annul the concession.

The French however are liable to assist us as they would welcome so powerful an ally as the United States against the other two. The Triumvirate will undoubtedly strongly favor us principally because if U.S.nationals are interested in Abyssinia, the U.S. Government might assist them in preserving their territorial integrity. The Prince Regent will favor us also because he is secretly interested in the Baghdassarian concession. The presents and hope of more in the future will also cause all of them to work with us.

Mr.Shepperson does not know this because owing to the national interests involved Mr.Southard did not want to tell an Englishman unless he were absolutely discreet. A whisper in one corner of this world out here is repeated very soon to everyone interested.

So far as Mr.Southard knows Mr.Baghdassarian is all O.K. Some say he is crooked and others say he is honest. Mr.Southard has known him some years and has always found him reliable. His influence with the Prince Regemt ebbs and flows, sometimes he is very strong and at others weak. He is well known in the country and is a man of considerable means. Johannes is what he has represented and is a clever and intelligent young man. (Interpreter).

Mr.Southard is trying to get me a personal servant Youssuf, a British Indian, who is clever, speaks English, thrifty, faithful, well acquainted in Abyssinia and East Africa, and who is a wonder at picking up all the gossip and getting information in various ways.

Mr.Southard himself is keenly interested in American business interesting itself in this section of the world, and when he heard we were coming, he cabled the State Depy. for permission to visit Addis Abbaba. If it comes, he will come up immediately and have a talk with the powers-that-be, all of whom he knows personally."

CABLE ADDRESS "ELISEO"

CITY OF MEXICO
MEXICO
4 CALLE DE BALDERAS 55.

WESTERN UNION CODE
A.B.C. FOURTH AND FIFTH EDITION
LIEBERS

W. A. Ellis
INVESTMENT
BANKER & BROKER

NEW YORK CITY
NEW YORK, U.S.A.
XXXXXXXXXXXX

TELEPHONE 1438 RECTOR

INDEX BUREAU

TA

FA.

Room 1304 - 63 Wall Street,
New York, August 24, 1920.

September 2, 1920.

Office of Foreign Trade Advisers
AUG 25 1920
DEPARTMENT OF STATE

Consul Bureau,
State Department,
Washington, D.C.

Dear Sirs:

I am going to ask you to kindly send me a copy of your Commercial Report July 10, 1920, in reference to Abyssinia, and anything else that the Department has in reference to that country.

I note that oil has recently been discovered and a British syndicate is endeavoring to get a concession for the exploitation of the entire Empire. This ought to be vigorously stopped and protested against by our government.

About ten years ago I secured a concession for the right to develop one-third of the Empire but on account of the unsettled con ditions of that country I did not proceed then. I am at a loss to know whether my concession is good or whether it is forfeited.

Please let me have information on the subject at your earliest convenience, and greatly oblige

Yours very truly,

INDEX BUREAU
Nov 27 1920
763/7

Filed
NOV 28 1920

In reply refer to
TA 884.6363/8

September 2, 1920.

The Honorable

The Secretary of Commerce.

Sir:

I have the honor to transmit herewith a copy of a letter from Mr. W. H. Ellis of New York requesting information in regard to Abyssinia, together with a copy of the reply made to the letter by this Department. It is suggested that you furnish Mr. Ellis with copies of such reports published in COMMERCE REPORTS, or other printed material in your possession on this subject, as may be available for distribution.

I have the honor to be, Sir,

Your obedient servant,

For the Secretary of State:

SEP 1 - 19

EY A. ADEE

Under Secretary.

Enclosures:
From W. H. Ellis,
August 24, 1920.

To W. H. Ellis.

TA:FRF:AHM:SS

TA

884.6363/8

In reply refer to
TA 884.6363/8

September 2, 1920.

Mr. W. H. Ellis,
63 Wall Street, Room 1304,
New York City.

Sir:

Acknowledgment is made of your letter of August 24, requesting information in regard to conditions in Abyssinia, and in particular a copy of a report dated July 10, 1920.

It has been impossible to find any report of the date mentioned. The Department, however, has received a number of excellent reports on Abyssinia from the American Consul at Aden, Arabia. Some of these reports have been published by the Department of Commerce in COMMERCE REPORTS, and a copy of your letter has been transmitted to that Department with the suggestion that copies of such reports and other printed material available for distribution by that Department be sent you.

884.6363/8

The

The Department is carefully following oil developments in Abyssinia and notes with interest your reference to having secured a concession in that country. Should you care to transmit any additional information with reference to this concession, the Department would be glad to consider it.

I am, Sir,

Your obedient servant,

For the Secretary of State:

TA:FRF:AHM:SS

ALVEY A. ADEE

15006

No. 400.

AMERICAN CONSULATE.

Aden, Arabia, July 19, 1920.

SUBJECT: Exploitation of Abyssinian Oil Concession by Anglo-American Oil Company.

~~CONFIDENTIAL.~~

CONFIDENTIAL

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to refer to this Consulate's despatch No. 391, of June 21, 1920, on the above subject.

By further extended inquiry it has been learned that the Anglo-American Oil Company expedition is likely to have considerable difficulties in Abyssinia. The concession legally belonging to H. M. Baghdassarian has been obtained from the Ras Tafari, the Abyssinian Prince Regent, by the Abyssinian Corporation, Limited. This was accomplished in March of the present year at the time of the visit to Abyssinia of Sir Frederick Lugard, former Governor of Hongkong and at present vice-chairman of the Abyssinian Corporation. It is understood that this gentleman, through his strong political influence, was able to enlist the direct and energetic aid of the British Legation at Adis Abeba in practically brow-beating Ras Tafari into selling a concession which he, as well as the Abyssinian Corporation, knew to be the lawful property of H. M. Baghdassarian. A payment of either 20,000 or 10,000 pounds sterling -- the two amounts are obtained from different sources -- was made to Ras Tafari by the Corporation for the Baghdassarian concession, and proper receipts taken and filed in the British Legation.

This

This Consulate learns from reasonably reliable sources that the Abyssinian Corporation, strongly backed by the British Legation, plans to force large payments, or control, from the Anglo-American Oil Company before that company will be permitted to proceed with the exploitation of the concession. The Corporation feels that it will be able to do this in view of the already considerable investment made by the Anglo-American Company in negotiating with Baghdassarian for the concession and in despatching a ship from London to Djibouti with full equipment for the exploitation work. Not only does sharp practice appear to be involved on the part of the Abyssinian Corporation and British Legation, according to information available to this Consulate, but there appears also to be a decided element of national jealousy on the part of the British in Abyssinia inciting them not to permit, unless with great profit and at least partial control for themselves, the establishing of American interests in that country.

There is strong reason to believe that the Abyssinian Corporation and British Legation acted in this matter only after they had news of the negotiations of Baghdassarian in London with the Anglo-American Oil Company. The Corporation last year paid Baghdassarian a sum reported to have been one thousand pounds sterling for an option of a hundred days on the concession. They decided not to take up their option after arriving at the conclusion that Baghdassarian would not be able to obtain capital for its development before the concession expired on or about August 26 of the present year, and that after its expiration they could obtain the concession from the Abyssinian

government at less expense than by dealing with Baghdassarian. In the meantime Baghdassarian, contrary to their expectations, went to England and successfully interested the Anglo-American company.

This Consulate also has good reason to believe that Baghdassarian deliberately deceived the Anglo-American company in London by concealing his knowledge of the uncertain status of his concession, and counted upon the strength and prestige of the company -- once it was definitely interested -- backed by American official support to force the recognition of his concession by Ras Tafari. The situation to-day is that the Abyssinian Corporation holds the concession by the apparently illegal act of Ras Tafari, strongly backed by the British Legation at Adis Abeba, and is holding up the operations of the Anglo-American representatives now in Abyssinia for the purpose of drilling test wells on the property. The Anglo-American ship has arrived at Djibouti and discharged its cargo of equipment for the work planned.

Unless Ras Tafari can be pursuaded, steps to which end are being taken by Baghdassarian and the Anglo-American representatives, to repudiate his apparently illegal contract with the British the latter are in a position to enforce a heavily unfair bargain with the Anglo-American representatives unless the latter decide to withdraw and write off as a loss their already considerable investment in the expedition. Inasmuch as the Baghdassarian concession legally expires on or about August 26, 1920, there remains but a dangerously brief time to bring matters to a successful issue.

The

The undersigned will shortly proceed to Abyssinia under authority of the Department's telegraphic instruction of July 3, 1:00 P. M., 1920, and will render such assistance as the Department's special instructions in the matter may seem to permit. Vice Consul Townsend, who has been instructed to proceed to Aden from Salonica to take charge of this office, should arrive before the end of the month and the undersigned will depart at once for Abyssinia in order to arrive there as promptly as possible and in time to give any proper and permitted assistance to the Anglo-American representatives. The mere presence of an official American representative in Adis Abeba may possibly give Ras Tafari the necessary encouragement to resist the intrigue and pressure of the Abyssinian Corporation and the British Legation, and to yield to Baghdassarian and the Anglo-American representatives their apparent legal rights in the matter of the concession.

It is the opinion of this Consulate that Ras Tafari has not intended actually to act unfairly or illegally in the matter of the Baghdassarian concession; but has fallen to his usual weakness in not being able to withstand the more or less mailed-fist methods of the Abyssinian Corporation and the British Legation to block the plans of the Anglo-American Oil Company, especially when the British interests backed their action with a cheque for 20,000 pounds sterling.

In the opinion of the undersigned the Ras is at heart much more friendly to American interests than he is to British interests, but he is handicapped by the policy of the British Legation in Adis Abeba which has been

been designed to impress the Abyssinians with a decided fear of what the British might do to them and their country if displeased. On the other hand the Abyssinians have never had any reason to fear the displeasure of the United States, although they have hoped to enlist the influence of our government in protecting them from possible British and Italian aggression. The fear of British aggression is a certainty, while the favor or support of the United States is an uncertainty, and with these and other circumstances in mind it is easy to understand why the British can more easily override American interests in Abyssinia. Another important element influencing the favor of the Abyssinian official is "backsheesh" or bribes, and much British money has been spent in this way.

To the close observer in this part of the world there is no mistaking the fact that the British definitely consider at least a partial control of Abyssinia and of Abyssinian affairs imperatively necessary to their political and commercial supremacy in the Red Sea district. Abyssinia is by far the most important market tributary to Aden; the rich western part of the country is highly important to the development of the Sudan; and the control of Lake Tsana, as the source of the Blue Nile with its invaluable contribution to the annual floods in Egypt, by the British or a power either subordinate or entirely friendly to British interests is very necessary.

With the increased use of oil fuel for shipping, supplies thereof must be made available for the port of Aden. Oil may possibly be obtained in British Somaliland for storage at Aden, but prospects in the Harrar province

of

of Abyssinia are possibly better and if oil is discovered there in commercial quantities it is evident that Aden and British shipping in particular will be best served if the oil wells are under British control.

On the other hand an American-controlled supply of fuel oil from Abyssinia would insure to American ships using the great Red Sea route a supply of fuel which they cannot count upon getting if both the sources and the bases of supply are under British control. There are fuel oil supply bases now at Aden and Perim, but British ships naturally have the preference and they have taken all that has been available and the few American ships passing this way have been refused oil. Control of a possible Abyssinian oil field by American interests should be an invaluable asset to the American merchant marine and should, it would seem, give trading advantages of the greatest value to American commerce.

For various and obvious reasons, some of which are briefly referred to above, it is believed that the final result of the Anglo-American--Baghdassarian--Abyssinian Corporation affair under discussion may have important and far-reaching effects.

Further report will be made as soon as any definite information is obtained.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 863.

No. 405.

15049

AMERICAN CONSULATE.

Aden, Arabia, July 29, 1920.

SUBJECT: Exploitation of Abyssinian Oil Concession by Anglo-American Oil Company.

~~CONFIDENTIAL~~

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR: ~~CONFIDENTIAL~~

I have the honor to refer to this Consulate's despatch No. 400, of July 19, 1920, on the above subject, and to submit the following information in continuation thereof.

Further reports which reach this Consulate, also from reasonably reliable sources, are to the effect that Ras Tafari, Prince Regent of Abyssinia, contends that he sold to the Abyssinian Corporation, Limited, only one half of the Baghdassarian concession for Harrar province and that he will permit Baghdassarian and the Anglo-American representatives to select whichever of the two halves they prefer. The Ras is also reported to have expressed to Baghdassarian his regret for having sold either a part or the whole of his original concession to the British, and promises as satisfaction to give to Baghdassarian a concession to prospect and develop all other possible oil-fields in Abyssinia.

If these later reports have any foundation of fact it is believed that they result merely from the efforts being made by Ras Tafari to temporize until he has had further time to consider whether or not it will

pay

pay him to repudiate his apparently illegal action in the matter of selling to the British either a part or the whole, as the case may be, of the original Baghdassarian concession. It is believed probable that before making any definite decision respecting the Baghdassarian and Anglo-American contentions he wishes first to learn to what extent this Consulate will support the latter.

The correct status of the situation will, of course, be learned during the coming visit of the undersigned to Adis Abeba, but these various reports are sent forward at this time by mail for the possible use they may have as a basis for making briefer such telegraphic reports, if any, as there may later develop necessity or advisability for submitting.

I have the honor to be, Sir,

Your obedient servant,

Edmond Yourkavitch

American Consul.

File No. 863.

[redacted]
CITY [redacted] EXICO
MEXICO
4A CALLE DE BALDERAS 55.

WESTERN UNION CODE
A.B.C FOURTH AND FIFTH EDITION
LIEBERS

CABLE ADDRESS "ELISEO"

W. A. Ellis

INVESTMENT
BANKER & BROKER

NEW YORK CITY
NEW YORK, U.S.A.
[redacted]

TELEPHONE 1438 RECTOR

Office of Foreign Trade Advisor
SEP 13 1920
DEPARTMENT OF STATE

Room 1304 - 63 Wall Street,
New York, September 10, 1920.

Secretary of State,
State Department,
Washington, D.C.

Attention Mr. G. Howland Shaw

Tel. Dr Towle (Con)
Sept. 13, 1920

Sept. 21. 1920.
September 21.

Dear Sir:

Yours of the 22nd ultimo received, No. T.A. 884-6363-8.

At this writing I have not received the copy that you referred to of the American Consul's report at Aden, Arabia with reference to Abyssinia. I am most anxious to get this and I do hope the Department will send me a copy of it.

You will understand that I made several trips to Abyssinia and I believe that I am the only American that has ever secured a concession from that Government. I would be glad to have you take up my concession. I am perusing my old Abyssinian papers to see if I can get this concession in order that I might send you a copy. There is no question that there is oil in Abyssinia and in great abundance. he Consul's report referred to gave an account of several English Syndicates that have their representatives now en route to Abyssinia to exploit oil. I think our Govemment should take steps towards looking after our interest from an oil standpoint in Abyssinia as we have a favorable NATIONAL TREATY with that country.

I had the privilege under the administration of the late Theodore Roosevelt to be appointee for the exchange of the Treaty to the Abyssinian Govemment and was a personal friend of Menelik

SEP 23 1920

and the present ruler. I assure you I have great interest in the development of that country, so please,at your earliest convenience,let me have any data you may have on it.

Sincerely yours,



In reply refer to
TA-884.6363/11

Mr. W. H. Ellis,

63 Wall Street, Room 1304,

New York, New York.

Sir:

Acknowledgment is made of your letter of September 10, 1920, with reference to information regarding the oil situation in Abyssinia.

The Department, unfortunately, has no copies of reports from the Consul at Aden with reference to Abyssinia which it would be possible to send you. However, as was stated in the Department's letter to you of September 2, 1920, a copy of your letter of August 24 was transmitted to the Department of Commerce, with the suggestion that copies of such reports and other printed material relative to the subject of your inquiry, as might be available for distribution by that Department, be sent to you. It is understood that this suggestion was followed by the Department of Commerce and

the

the material transmitted by that Department should have reached you several days ago. In case you have not received this material, it is suggested that you inquire of the Department of Commerce, addressing your inquiry to the attention of Dr. Schmeckebier.

Any further information which you may be able to transmit to this Department regarding your concession in Abyssinia will be carefully examined.

I am, Sir,

Your obedient servant,

For the Secretary of State:

ALVEY A. ADEE

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN TRADE ADVISER

MEMORANDUM

9/22, 192

Mr. Hengstler:

Please note the apparent results of Consul Southard's visit to Abyssinia.

A E M.

No. 10127

FA.

EX BU
Rec'd
SEP 18 1920
Dept. of State

AMERICAN CONSULATE GENERAL,
LONDON: ENGLAND.

15873

September 6th 1920.

SUBJECT: ANGLO-AMERICAN OIL EXPEDITION TO ABYSSINIA.

A6 Copy to Commerce
" " Geol S
ACM 9/20/20

Office of Foreign Trade Advisor
SEP 18 1920
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Noted on Efficiency Record

~~Not for publication~~

SIR:

I have the honor to quote for the Department's information a letter dated August 26th,1920, and signed by James Hamilton, Director of the Anglo-American Oil Company Limited, 36 Queen Anne's Gate, Westminster,London,S.W.1, which recites the recent experiences of the Expedition proceeding to Abyssinia to develop oil concessions in that country, from which it will be noted that certain material alterations in the original concession have been made, presumably at the instigation of the Abyssinian Corporation. :-

> "Further to our letter of 19th ultimo, in liquidation of our promise we have pleasure in outlining the progress of our representatives in Abyssinia. As intimated, some little difficulty had arisen and Mr.Shepperson - in charge of our party - had asked the American Consul at Aden for assistance.
>
> From cables and letters since received it appears our people have been up against the Abyssinian Corporation - a British organization some time established in the country and with considerable influence in the quarters controlling concessions and similar matters - who apparently on hearing that we were entering

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"the country for the purpose of exploiting the territory for oil under a concession from Mr.Baghdassarian, lost no time in endeavouring to counter us. In this they were so far successful as to induce the Raz Taffari to ignore the concession signed and sealed with Baghdassarian and concede half of the same to the Abyssinian Corporation - this with the helpful influence of Major Dodds. We were therefore very pleased to receive yesterday a cable advising that following the arrival of Mr.Southard a concession had been granted for half of the province of Harrar and that a full report is now coming forward by mail. This we await with interest as we are anxious to learn which half of the province is secured to us."

I have the honor to be,Sir,

Your obedient servant,

American Consul General
in charge.

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Dept. of State

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NEAR EASTERN AFFAIRS
DIVISION OF
OCT 1920
DEPARTMENT OF STATE

No. 409.

AMERICAN CONSULATE,

Aden, Arabia, September 6, 1920.

SUBJECT: Exploitation of Concession in Abyssinia by the Anglo-American Oil Company.

~~CONFIDENTIAL.~~

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Foreign Trade Advisor
OCT 6 1920
DEPARTMENT OF STATE

SIR:

I have the honor to refer to this Consulate's despatch No. 405 of July 29, 1920, and preceding despatches, on the above subject, and to submit the following additional information which was obtained during a visit just made by the undersigned to Abyssinia under authority of the Department's telegraphic instruction of July 3, 1:00 P. M., 1920.

The information given in this Consulate's despatches Nos. 391 and 400, of June 21 and July 19, 1920, respectively, relative to the H. M. Baghdassarian concession, appears to be generally correct after investigation on the ground. It has further been learned, however, that H. M. Baghdassarian, who is an Armenian resident in Abyssinia, obtained his mineral concession for the whole of Harrar province at a time about five years ago when the Prime Minister at Adis Abeba was a prominent Abyssinian chief known as Haile Giorgis. Lij Yasu was then the heir to the throne and nominal ruler of the country. Haile Giorgis issued the Baghdassarian concession and it appears to bear only his seal and not that of Lij Yasu. Upon the deposition of Lij Yasu in 1916 Haile Giorgis was thrown into chains and is to this day a political prisoner at Harrar,

Harrar, the capital of Harrar province.

When Ras Tafari became Prince Regent and actual ruler of the country he repudiated many of the acts of the ex-Prime Minister Haile Giorgis. Other acts, such as certain concessions, were permitted to stand for the time being. Baghdassarian knew that his concession might be considered invalid as it lacked the seal of the then actual ruler of the country. The Armenian has a certain amount of influence, however, with Ras Tafari and his concession was permitted to stand until the current year when Tafari found that the existence of this old concession placed him in a difficult position as he was being very strongly pressed to issue to the Abyssinian Corporation, Limited, a concession covering Harrar province. The Corporation had first negotiated with Baghdassarian, as has been referred to in previous despatches, but no agreement had been reached although it has since been learned that Ras Tafari informed Baghdassarian that it was his desire that an arrangement be made with the Corporation.

Although Baghdassarian knew that the validity of his concession was questionable and that its continued existence depended more upon the goodwill of Ras Tafari than upon any legal right he continued to attempt to sell all or a part of it. He also knew that the Ras, as the result of strong pressure brought to bear by the British Legation at Adis Abeba, would approve and legalize any arrangement made with the Abyssinian Corporation in connection with his presumably invalid concession. He was, however, unable to make a satisfactory agreement with the resident manager of the Corporation and decided to take his concession to London. Ras Tafari knew of this and secured

from

from Baghdassarian a promise that he would reopen negotiations with the London office of the Corporation - strong pressure from the British Legation and promises of money from Adis Abeba office of the Corporation influencing the Ras in the matter. So far as can be judged from conflicting stories of what happened in London Baghdassarian did not approach the Abyssinian Corporation representatives there but, with the connivance of one H. H. Topakyan, who is referred to in this Consulate's despatch No. 392 of June 22, 1920, impressed the Anglo-American Oil Company to the extent that that company entered into an agreement with him for the exploitation of his Harrar concession. Baghdassarian must have known that Ras Tafari would be displeased that he had not carried out the original understanding relative to negotiating first with the London office of the Corporation, and would probably repudiate the concession as invalid on the ground that it had only the seal of the ex-Prime Minister Haile Giorgis. However, it is probable that he also thought that by interesting an American company he would have sufficiently strong American support to force the Ras to legalise his original concession.

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The British Legation and the Corporation officials evidently had advance notice of what they considered Baghdassarian's intention to "double-cross" them, so to speak, and in April of the current year took steps to force from the Ras a new concession in their favor which would invalidate the original Baghdassarian concession. The Ras was unable to withstand the pressure and issued a concession to the Corporation for the eastern half of Harrar province in consideration of a payment of an amount stated to be 20,000 pounds sterling by the Corporation. It is

also

also understood that Baghdassarian knew of this occurrence through agents in Adis Abeba shortly after it took place but did not notify the Anglo-American Company in London, although he was still in Europe. He quite evidently deceived the Anglo-American Oil Company with apparent premeditation; but then it may also be marvelled at that astute American business men should make a serious agreement with two Armenians regarding a concession in Abyssinia about which they could know little, if anything, authentic.

However, the agreement was made and the Anglo-American Oil Company despatched, at considerable expense, an expedition to exploit the alleged Abyssinian oil fields. The arrival of this expedition at Aden and its journey to Abyssinia have been discussed in this Consulate's previous despatches. Upon arrival of the expedition in Abyssinia it was found that the Baghdassarian concession had been invalidated and that the Abyssinian Corporation, Limited, held a valid and legal concession for the most desirable half of the territory covered by the original Baghdassarian concession. The Anglo-American representatives were inclined at once to give up their project, but were encouraged by Baghdassarian to wait a while until he could arrange to obtain a new concession. He appeared to be making no headway in this matter and the Anglo-American representatives attempted to reach the Ras and negotiate directly for a concession. This they were unable to do owing to their lack of experience of how things are done in Abyssinia, which circumstance enabled Baghdassarian to prevent them seeing the Ras on business.

Such was the situation at the time the undersigned arrived in Adis Abeba the first part of August; and being

being appealed to by the Anglo-American representatives steps were taken to protect such interests as might seem to be their right. The undersigned applied for and obtained an informal audience with Ras Tafari for the purpose of discussing this and other matters of possible interest to the Department. The Ras stated definitely that he considered the original Baghdassarian concession invalid because it had not been issued in legal form. To this it did not seem discreet to offer any argument, but it was suggested to the Ras that an American company in good faith and at considerable expense had sent out an expedition to exploit the oil rights under the Baghdassarian concession, and that if the expedition had to return without having accomplished anything there would likely result an impression unfavorable to Abyssinia, and that his representations made to the undersigned on former occasions that he very much desired American enterprise in his country would appear to lack sincerity.

Ras Tafari then said that he would make it possible for the American company to work in Harrar province; that although he had already sold to the Abyssinian Corporation, Limited, a concession for the eastern half of Harrar province he would at once issue to Baghdassarian a new concession for the other half of the province under which the Anglo-American Oil Company could proceed to work as originally agreed in London with Baghdassarian. The undersigned suggested that Baghdassarian apparently had not been honest with the Anglo-American Oil Company in the first instance and might refuse to deal with them under the new concession. He replied that if he issued the concession at all it should be to Baghdassarian as he felt that the latter was

entitled

entitled to some recompense for the cancellation of his original, though invalid, concession for the whole of the province. It is probable that Baghdassarian has an agreement to divide with the Ras any profit arising from his concession. It was then suggested to Ras Tafari that the new concession issued to Baghdassarian should include an article specifying that the Anglo-American Oil Company should have the privilege of exploiting the oil rights under the agreement made in London with reference to the original and apparently invalid concession. After some argument the Ras agreed to this. In two days, a record time for Abyssinia, the issuance of the new concession was secured and it contains as "Article 19" the proviso that the oil rights shall be worked by the Anglo-American Oil Company under the agreement previously made with the company by H. M. Baghdassarian in London.

In insisting upon and obtaining this protection for the Anglo-American Oil Company the undersigned was careful, as instructed by the Department, to make it plain that the company had no official status but was merely receiving the official protection of its legal commercial rights to which it and any other American company operating abroad was entitled.

The concession issued to the Abyssinian Corporation, Limited, is for the "eastern half" of Harrar province, or for that part adjoining the British Somaliland frontier. The new Baghdassarian concession is for the western half of the province. The division had not been made and as it promised to be a delicate and difficult matter the Ras desired to "pass the buck" as is the Abyssinian custom, and informed the undersigned that the Baghdassarian-Anglo-American group would have to get together with the

Corporation

Corporation and make the division. If they could not agree he promised to arbitrate. This latter contingency was undesired as it would indefinitely delay matters. The Anglo-American representatives then met the Abyssinian Corporation representatives to discuss division and could not agree, as was to be expected. At the request of the Anglo-American representatives the writer then informally took up the matter with the British Charge d'Affaires at Adis Abeba, whose influence with the Abyssinian Corporation amounts practically to that of a general manager. It was suggested to this gentleman that the American group very much desired an amicable settlement and working arrangement with the Corporation and he was asked to use his influence with the representatives of the latter. He saw the point that if the Anglo-American group developed the Baghdassarian half of the concession the half possessed by the Corporation would at once become much more valuable without the latter having incurred any expense for development work. Because of this and various other obvious reasons he saw that it was to British interest to use his influence towards an amicable settlement. He did so and an agreement as to the division of the province was arrived at and is now in the hands of Ras Tafari for approval. In the meantime the Anglo-American representatives are authorized to start prospecting work.

So far as this Consulate can learn this is the first instance of a foreign company being permitted to undertake development work under a concession in Abyssinia without having first directly paid to the Abyssinian government a substantial sum of money for the privilege.

(American)

The territory in which the Anglo-American Oil Company will prospect for oil under the new Baghdassarian concession and the agreement with the Abyssinian Corporation, Limited, is the northern part of Harrar province bounded approximately as follows: On the north by the 11th degree of north latitude; on the south by the 9th degree of north latitude; on the east by the 43rd degree of east longitude; and on the west by the 40th degree of east longitude. The eastern half of this approximate district is included in the Abyssinian Corporation concession for all minerals and the western half is included in the new Baghdassarian concession which also is for all minerals. The privilege gained by the Anglo-American Company to prospect for oil only in that part of the district included within the Abyssinian Corporation concession is the result of compromise by which the Corporation is in return given oil rights in the southern half of the Baghdassarian concession. The Anglo-American territory is considered much the more promising for oil.

As of possible interest to the Department it may be stated that the representatives of the Anglo-American Company in Abyssinia verbally informed the undersigned that they consider that they owe to the efforts of this Consulate this new and only actual opportunity which they have had to carry out the purposes for which their expedition was despatched from London.

An apparently amicable arrangement has thus been arrived at by the Abyssinian Corporation and the Anglo-American Oil Company, but the former probably resent the fact that they have for the time at least had to make concessions to the Americans in a territory which they fondly believed was destined entirely for exploitation

by

by British interests and to control which they had expended considerable effort and money. It is not at this time apparent how the Corporation could further interfere with the purposes of the Anglo-American Company, but it is believed that no opportunity to do this will be overlooked.

As has already been stated the more important affairs of the Corporation, as well as of other British enterprises in Abyssinia, have been more or less directed (although not openly) by the British diplomatic representative in Adis Abeba. British influence is being carefully and systematically built up in Abyssinia and the British Legation is a power not to be reckoned lightly at the Abyssinian court.

Because of its neutral position and because of the absence of any suspicion of the Abyssinians that the United States has territorial designs upon their country a considerable influence could be wielded at Adis Abeba by a skilled and qualified American representative. Ras Tafari, the Prince Regent, has definitely stated that he is desirous of having American commercial interests established in his country and it is believed that his full favor to such interests will be limited only by the powerful influence which the British have established in Abyssinia. French and Italian influence is at present inferior to that possessed by the British Legation. The former work against and the latter with the British. The greatest advantage possessed by the French is their control of the Djibouti-Adis Abeba railway and of Djibouti, the principal port of entry to Abyssinia. The Djibouti authorities and the French Legation in Adis Abeba seem more favorable than otherwise to the Anglo-American Oil Company project but this somewhat

favorable

favorable attitude may be largely influenced by the fact that the American interest is directly competitive to British interests in Abyssinia.

American enterprises desiring to enter into the commercial development of Abyssinia should, however, carefully investigate the conditions before making any important investment. Allowance must be made for the fact that business is not done in Abyssinia along the lines which prevail generally in the United States and Western Europe. Business methods are not so straightforward, and the methods of the Abyssinian government in its relation to business enterprise are decidedly Oriental. If the representatives of foreign business enterprise will take the preliminary trouble to inform themselves relative to these special conditions and prepare to meet them, however, there are some splendid opportunities for profit. The Anglo-American representatives would have saved themselves much annoyance, delay, and expense, if a preliminary review of Abyssinian conditions as applied to their particular enterprise had been obtained from this Consulate, or through the investigations of a qualified representative of the company. Such a course should, it would seem, be recommended to any future American enterprise considering the Abyssinian field.

Any further important developments in the Anglo-American Oil Company's Abyssinian enterprise will be promptly reported to the Department.

[etc.]

I have, ~~the honor to be, Sir,~~

~~Your obedient servant,~~

Addison E. Southard.

Addison E. Southard

~~American Consul.~~

File No. 863.

In reply refer to
TA - 884.6363/13

Mr. C. A. Eames, Director, October 14, 1920.

Anglo-American Oil Company,

26 Broadway,

New York City.

884.6363/13

Sir:

Reference is made to the Department's letter of July 14, 1920, and to conferences at the Department relative to the Anglo-American Oil Company's expedition to Abyssinia for the purpose of obtaining a petroleum concession.

The Department has received from the American Consul at Aden a report dated September 6, 1920, setting forth at some length the situation in Abyssinia regarding petroleum concessions, the work of the Consul in rendering assistance to your company, and the arrangements finally arrived at with the Abyssinian Government and the Abyssinian Corporation, Limited, according to which your company will have the privilege of exploiting the oil rights within certain areas in the Province of

Harrar.

WILBUR J.

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Harrar. In accordance with your request in submitting to the Department the matter of the Abyssinian concessions, all communications relating to the matter have been kept confidential. If it is your opinion, however, that your company's arrangements in Abyssinia have reached the stage where they will not be injured by making public the general facts, you are requested to inform the Department to that effect. It would not, of course, be the purpose of the Department to release for publication any information regarding the negotiations prior to the granting of the concessions but merely to make known that a concession to your company had been granted in Abyssinia with a statement concerning the location and area of the concession.

I am, Sir,

Your obedient servant,

For the Secretary of State:

[illegible]-Smith

Third Assistant Secretary

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OCT 14 1920

No.

Addison E. Southard, Esquire,

American Consul,

Aden, Arabia.

Sir:

Reference is made to your despatch No. 409 of September 6, 1920, regarding the Anglo-American Oil Company's concession in Abyssinia.

The success of the company's representatives in obtaining exploitation rights and the arrangement with the Abyssinian Corporation, Limited, are gratifying to the Department and it is felt that your visit to Abyssinia contributed largely to the success of the negotiations. Your statement has been noted that the representatives of the Anglo-American Oil Company in Abyssinia informed you verbally that they owe to your efforts the only actual opportunity which they have had to carry out the purposes for which their expedition was dispatched from London. It is the opinion of the Department that your reports with respect to this matter, as well as your personal efforts, have been of exceptional value.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR.

884.6363/13

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In reply refer to
TA - 884.6363/13

1920.

The Honorable

The Secretary of Commerce.

Sir:

Reference is made to despatch No. 409 from the American Consul at Aden, dated September 6, 1920, and to other consular communications relative to a concession in Abyssinia obtained by the Anglo-American Oil Company. Copies of these documents have been sent to your Department.

These reports were considered to be of a confidential nature, since they related to the business of a private company and to diplomatic negotiations of this Department. After communication with the Anglo-American Oil Company, however, it has been decided that there would be no objection to the publication of certain facts with reference to the acquisition of this concession. These facts might be stated somewhat as follows:

> "As a result of prolonged and somewhat difficult negotiations in Abyssinia, the Anglo-American Oil Company has obtained from the

Abyssinian

884.6363/13

Abyssinian Government a fifty-year petroleum concession for the entire eastern half of the province of Harrar, Abyssinia, including provisions for a five-year period for prospecting. The company thinks that the terms of the concession are liberal; and they include a substantial royalty to the Abyssinian Government in the event of production of petroleum. A highly competent geologist and his assistants are already at work."

It is suggested that this information be given publicity by your Department and that if newspaper men desire further information they be referred to Mr. C. A. Eames, Director of the Anglo-American Oil Company, 26 Broadway, New York City.

It will be noted that no mention is made above to the assistance rendered by the consular officers in connection with this matter; for, while the Department is gratified at the action of its representatives in this matter, it is believed possible that any publicity given to their action would be prejudicial to diplomatic negotiations of a similar nature that might be undertaken in the future by this Government.

I have the honor to be, Sir,

Your obedient servant,

For the Secretary of State:

ALVEY A. ADEE

NOV 27 1920

Under Secretary.

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INDEX BUREAU
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C. A. Eames.

26 Broadway,
New York,

Office of Foreign Trade Advisor
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OCT 19 1920
DEPARTMENT OF STATE

October 18, 1920

SUBJECT.

TA-884.6363/13

Honorable The Secretary of State,
Washington, D. C.

Ans. 11/8
Ans. 11/9/20/13

Sir:

Responding to your letter of the 14th instant on the above subject, I beg to advise that Mr. F. E. Powell, Chairman of the Anglo American Oil Co.,Ltd., is expected to arrive in New York within a few days, which will give me an opportunity of conferring with him regarding the matter under review. In the meantime I beg your kind indulgence, and shall be pleased to refer further to your communication as soon as I have had an opportunity of seeing Mr. Powell. In the meantime I am

Respectfully yours,

CAE/EP

Director.

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Office of Foreign Trade Advisor
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DEPARTMENT OF STATE

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26 Broadway,

C. A. Eames.

New York, October 29, 1920

SUBJECT

TA-884.6363/13

884.6363/13

Honorable The Secretary of State,
Washington, D. C.

Ans 11/8
Ans. 11/9/20

Sir:

Supplementing my letter of the 18th instant, on the above subject, would say that I have conferred with Mr. Powell and am in communication with our associates in London, regarding the suggestion advanced by you, and upon our return to New York, with the next two or three weeks, will be in position to respond further. In the meantime I am

Respectfully yours,

C. A. Eames

Director.

E/T

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DEPARTMENT OF STATE

Office of Foreign Trade Advisor
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DEPARTMENT OF STATE

T Agtb

26 Broadway.

C. A. Eames.

Ans. 11/8

New York. November 5, 1920

SUBJECT TA-884.6363/13

Honorable The Secretary of State,
Washington, D. C.

Ans. 11/9/20

Letter drafted 11/26/20

Sir:

Referring again to your letter of October 14th., on the above subject, beg to advise that F. E. Powell, Chairman, and Directors of Anglo American Oil Co.,Ltd., are not opposed to publication of the fact that Abyssinian Government has granted the Anglo American Oil Co.,Ltd., fifty year Petroleum concession for entire eastern half of province of Harrar, Abyssinia, including five year period for prospecting. Further, that terms of concession are liberal and include substantial royalty to Abyssinian Government in the event of production being secured, also that highly competent Geologist and Assistants already at work.

Mr. Powell and Associates respectfully suggest that full credit be given Consul General Skinner, London, and Consul Stannard, at Aden, for very valuable assistance rendered by them in negotiating the concession.

Yours very truly,

C. A. Eames

Director.

NMS/EP

884.6363/13

INDEX BUREAU
884.6363/13
DEC 1920
DEPARTMENT OF STATE

In reply refer to
TA-884.6363/16

Mr. C. A. Eames,

26 Broadway,

New York City.

Sir:

Reference is made to your letters of October 18, October 29, and November 5, 1920, replying to the Department's letter of October 14, 1920, relative to the possibility of publishing the general facts in connection with the petroleum concession obtained in Abyssinia by the Anglo-American Oil Company.

The Department appreciates your courtesy in this matter and will inform the American Consul General at London and the American Consul at Aden of your complimentary references to their services.

It has been suggested to the Department of Commerce that certain facts regarding this matter might be given publicity and that representatives of the press be referred to you for further information. If such information is

given

884.6363/16

given by you it is requested that no mention be made of the activities of consular officers in connection with the acquisition of this concession; for, while the Department is gratified at the action of its representatives in this matter, it is believed possible that any publicity given to their action would be prejudicial to diplomatic negotiations of a similar nature that might be undertaken in the future by this Government.

I am, Sir,

Your obedient servant,

For the Secretary of State:

Under Secretary.

DEPT OF STATE
NOV 25 1920
ALVEY A. ADEE

In reply refer to
TA - 884.6363/16

Mr. C. A. Eames,

26 Broadway,

New York City.

Sir:

Reference is made to your letters of October 18, October 29, and November 5, 1920, replying to the Department's letter of October 14, 1920, relative to the possibility of publishing the general facts in connection with the petroleum concession obtained in Abyssinia by the Anglo-American Oil Company.

The Department appreciates your courtesy in this matter and will inform the American Consul General at London and the American Consul at Aden of your complimentary references to their services. The Department believes that it would be advisable, in case you give information to the press in regard to the matter, to make no mention of any assistance rendered by the Government.

I am, Sir,

Your obedient servant,

For the Secretary of State:

ALVEY A. ADEE

NOV 18 1920

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884.6363/16

No.

November 12, 1920.

Robert P. Skinner, Esquire,
American Consul General,
London, England.

Sir:

Reference is made to previous correspondence regarding the efforts of the Anglo-American Oil Company to obtain a petroleum concession in Abyssinia.

The Abyssinian Government has granted the Anglo-American Oil Company, Limited, a fifty year petroleum concession for the entire eastern half of the province of Harrar, Abyssinia, including provisions for a five year period for prospecting. In the opinion of the company, the terms of the concession are liberal and include a substantial royalty to the Abyssinian Government in the event of the production of petroleum. The Department is also informed that a highly competent geologist with his assistants are already at work.

The representative of the Anglo-American Oil Company in New York in a letter to the Department states that the President of the company and his associates have suggested that full credit be given to you and to the Consul at Aden for very valuable assistance rendered in negotiating the concession. The Department is also appreciative of your activities in the matter.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR.

ALVEY A ADEE

A true copy of the signed original

TA

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INDEXING BUREAU
DEC 15 1920
DEPARTMENT OF STATE

No. 429.

Orig'l to A.C.M. Cairo
Copy hereof has been sent to Com. Dr. Towle
Copy has also been sent to Gen. Staff
and to
DEC

AMERICAN CONSULATE,

Aden, Arabia, November 11, 1920.

SUBJECT: Exploitation of Abyssinian Concession by the Anglo-American Oil Company.

CONFIDENTIAL
Not for publication.
DEPARTMENT OF STATE.
DEC 21 1920
NEAR EASTERN AFFAIRS

Orig't to London 12-29-20.
Office of Foreign
DEC 14
DEPARTMENT OF STATE

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Tel. Dec 22, 1920

SIR:

CONFIDENTIAL 12/18/20
Not for publication. Letter to Mr. Eames 12/18/20

I have the honor to refer to this Consulate's despatch No. 409, of September 6, 1920, on the above subject, and to state that according to recent reports received from Abyssinia the Anglo-American Oil Company representatives have been some weeks in the field prospecting and have received all necessary help and protection from the Abyssinian authorities. This Consulate has as yet no information relative to the nature or promise of such findings as may have been made by the American prospectors.

On page 7 of this Consulate's despatch No. 409, of September 6, 1920, reference is made to an agreement drawn up between the Baghdassarian-Anglo-American Oil Company group and the Abyssinian Corporation group relative to the oil rights in Harrar province, which agreement was placed in the hands of His Highness Ras Tafari for approval. M. de Coppet, the French Minister at Adis Abeba, has protested against the approval of this agreement and the Ras has not yet taken action. It is the opinion of the undersigned that he will delay his approval to the agreement for a while in deference to the French protest, but will eventually

DEC 14 1920

eventually give it.

The French Minister protests that the concession for the eastern half of Harrar province, given to the Abyssinian Corporation, Limited, infringes upon Paragraph C, of Article 4, of the Agreement of 1906 between the United Kingdom, France, and Italy, with reference to Abyssinia. This Article (copy of pertinent parts of which is attached hereto) provides that the three powers shall act in concert to safeguard the rights of each other in Abyssinia, and Paragraph C refers to the safeguarding of French interests in the Abyssinian hinterland of the French Somaliland Protectorate. The Abyssinian Corporation concession includes this so-called hinterland and the French protest is to the effect that the granting of this concession for exclusive mineral rights to a British company in territory adjoining French Somaliland is prejudicial to the rights and interests of the government of the latter territory.

Abyssinia is accepted as a sovereign state, with the necessarily assumed independence in the regulation of its internal affairs at least. It is not easily apparent how the granting of a simple mining concession to a British company by the Abyssinian government in strictly Abyssinian territory could be in any possible way prejudicial to the welfare of the neighboring French Protectorate of Somaliland. Nor is it apparent why the French government should have any more legal right in protesting the granting of a concession confined to Abyssinian territory adjoining French territory than it could have, for instance, in protesting a concession given by the Swiss government in Swiss territory adjoining France. The unfortunate position

of

of the Abyssinian government, however, harassed as it is by the British, French, and Italian Legations, makes it possible for any one of the three representatives to make protests or take other similar action to delay unnecessarily and sometimes seriously legitimate and bona fide projects which may be coveted by his nationals.

The French Minister's protest is, however, believed actually to be a result of the attempt of the Frenchman Achille Bayard to obtain an exclusive mineral concession for Harrar province, referred to in this Consulate's various despatches on Abyssinia during the past two years, for which he spent an amount estimated at two million francs without ever receiving any actual concession. The failure to receive a concession was probably due to the chicanery of subordinate Abyssinian officials with whom Bayard dealt. The territory desired by Bayard is now included in the apparently bona fide and properly signed and sealed concession held by the Abyssinian Corporation. The French protest apparently has no actual legal basis but is assumed to have been made as a bluff and attempt so to harass the English company as to force some recognition of Bayard's alleged prior rights in Harrar province. This protest affects the Baghdassarian-Anglo-American group only as regards the agreement entered into by themselves and the Corporation for the oil rights in the northern half of the Corporation concession, which adjoins French Somaliland.

Every concession or favor secured by one of the three powers from the Abyssinian government is usually fought and protested, sometimes openly and sometimes otherwise, by the other two. Ras Tafari wants to be friendly with all three powers and in handling these protests plays

a

a sort of political hide-and-seek game with the various Legations until he can find a way out of the seeming impasse which often results. He is, however, an astute diplomat and very often works around to getting his own way, but as time is not important to him considerable delays often result.

The eventual approval of the agreement is, of course, important to the Anglo-American Oil Company, but there is no immediate hurry as the rights of the company's representatives to prospect in the territory desired are assured and are being exercised. The American company is working under a bona fide concession for a so-called western half of Harrar province which is believed fully to protect its interests. If the agreement in question is not approved negotiations for a new division of the province will be necessary but under the present circumstances the American company, with the support of an official representative at Adis Abeba, would seem to have every reason for assurance that it will receive in such division the districts of the province now considered most promising.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 863.

From THE AGREEMENT BETWEEN THE UNITED KINGDOM, FRANCE, AND ITALY, Respecting Abyssinia.

Signed at London, December 13, 1906.

----o----

"Article 4. In the event of the status quo laid down in Article I being disturbed, France, Great Britain, and Italy ..... in any event shall concert together, on the basis of the Agreements enumerated in the above-mentioned Article, in order to safeguard:"

"(a)" Refers to the interests of Great Britain.

"(b)" Refers to the interests of Italy.

"(c) The interests of France in Ethiopia as regards the French Protectorate on the Somali coast, the hinterland of this Protectorate and the zone necessary for the construction and working of the railway from Jibuti to Adis Abeba."

----o----

[redacted]

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$

TELEGRAM SENT.

Department of State

Washington,

December ~~20~~ 21, 1920.

American Consul

Aden (Arabia)

Your 429. Keep in close touch with concession situation in Abyssinia. In case you fail to receive information or there appears to be danger of disapproval of agreement notify Department promptly.

AOTING

884.6363/17

DEC 21 1920

884.6363/17
ACM JKS:
FRF:MHM
TA

Enciphered by .....

Sent by operator..... M., 12/21, 1920

Index Bu.—No. 50. 1—138

1 enclosure:
Copy of despatch
[illegible]

A true copy of the signed original.

3 A

In reply refer to
TA - 884.6363/17

Mr. C. A. Eames, Director,
Anglo-American Oil Company.
26 Broadway.
New York City.

December 22, 1920.

Sir:

Reference is made to previous correspondence regarding the petroleum concession recently acquired by the Anglo-American Oil Company in Abyssinia. In the Department's letter of October 14, 1920, mention was made of the conclusion of an agreement between your company and the Abyssinian Corporation, Limited, according to which your company was to exploit the oil resources within certain areas in the Province of Harrar. Upon the conclusion of this agreement it was placed before the Prince Regent of Abyssinia for his approval.

The Department is now in receipt of a despatch from the American Consul at Aden in which it is stated that the Prince Regent has deferred his approval of this agreement, but it is believed by the Consul that he will ultimately approve it.

884.6363/17

The

For the Acting Secretary of State:

Jan S Muller Smith

1 enclosure:
Copy of despatch
No. 429.
884.6363/17
TA DEP BIG
aem

A true copy of the signed original.

The Department has instructed the Consul at Aden to keep in close touch with the situation in Abyssinia and to inform the Department promptly of any important developments.

The officials of the Department will always be glad to discuss this matter with you whenever you may be in Washington.

I am, Sir,

Your obedient servant,

For the Acting Secretary of State:

Wm S. Merle-Smith

DEC 21 1924

ALVEY A. ADEE

A true copy of the signed original.

FRP:MHH
TA
aem

For the Acting Secretary of State:

Wm S Merle-Smith

1 enclosure:
Copy of despatch
No. 429.
[redacted]
21 DEC 24

A true copy of the signed original.

No. December 29, 1920.

Robert P. Skinner, Esquire,

American Consul General,

London.

Sir:

With further reference to previous correspondence regarding the concession in Abyssinia granted to the Anglo-American Oil Company, there is herewith transmitted for your information a copy of despatch No. 429 from the American Consul at Aden dated November 11, 1920, in which it is stated that the Prince Regent of Abyssinia has deferred his approval of the agreement between the Anglo-American Oil Company and the Abyssinian Corporation, Limited, according to which the first named company was to exploit the oil resources within certain areas in the province of Harrar. It is believed by the Consul, however, that the Prince Regent will ultimately approve this agreement. This information has been transmitted to Mr. C. A. Kames, Director of the Anglo-American Oil Company, New York City.

It is assumed that you will transmit to the Department any information regarding this matter that may come to your attention.

I am, Sir,

Your obedient servant,

For the Acting Secretary of State:

Leon S. Winslow Smith

1 enclosure:
Copy of despatch
No. 429.

884.6363/17
TA FRP BLC

A true copy of the signed original

884.6363/17

No. 727 January 14, 1921.

The Honorable

Hugh Campbell Wallace,

American Ambassador,

Paris.

Sir:

The Department has been informed that the Anglo-American Oil Company, a company incorporated in Great Britain but believed to be controlled by American interests, recently obtained a concession in Abyssinia covering certain areas in the Province of Harrar. The areas to be exploited by the company were defined by an agreement with the Abyssinian Corporation, Limited, a British Company, by which the Anglo-American Oil Company, in return for a quid pro quo, obtained the right to exploit certain areas included in a concession granted to the Abyssinian Corporation. Upon the conclusion of this agreement, it was placed before the Prince Regent of Abyssinia for his approval. The French Minister at Abyssinia, however, protested against the ratification of this agreement, on the ground that the concession granted to the Abyssinian Corporation constituted an infringement of certain treaties between Great Britain, France, and Italy regarding Abyssinia. The Prince Regent has accordingly delayed his approval of the

agreement

agreement, bgt the American Consul at Aden believes that he will ultimately approve it.

According to a telegram from Consul General Skinner, a paraphrase of which is transmitted herewith, it appears that the French Government is not only protesting against the agreement but is also urging the Standard Oil Company to cooperate with French interests upon an extensive scale for the development of Abyssinia. The Consul General at London has been instructed to state to which Standard Oil Company he refers in his telegram and also to transmit any further information which he may be able to obtain regarding the matter, in particular with reference to the clause of the Treaty between Great Britain, France and Italy to which he refers. In addition the Consul General has been instructed to inform the Department whether the plan of the French Colonial Authorities for development in Abyssinia in cooperation with the Standard Oil Company is contingent upon the annulment of the Agreement which was recently formed between the Anglo-American Company and the Abyssinian Corporation and whether the execution of the French plan is inconsistent with the provisions of that Agreement.

The Department desires also to obtain from you any information regarding the matters referred to above which you may be able to procure.

The Department has instructed the American Consul at Aden to keep in close touch with the situation in Abyssinia and to notify the Department promptly in case he should fail to receive information or in case there

should

should appear to be danger of the disapproval of the Agreement by the Prince Regent. The Department is considering the advisability of instructing the Consul, in case there appears to be danger that the Agreement will not be approved, to support the representations of the British Legation for the ratification of the Agreement. It is suggested that you transmit your opinion regarding the advisability of such a course.

I am, Sir,

Your obedient servant,

For the Acting Secretary of State:

[illegible]

Notes

We [illegible] welcome

2 enclosures:
Paraphrase of telegram
from London.
[illegible] of despatch No. 419,
AMERICAN B C dated [illegible], 19[illegible].

aem
WWC

No. November 12, 1920.

Addison E. Southard, Esquire,

American Consul,

Aden, Arabia.

Sir:

Reference is made to previous correspondence regarding the efforts of the Anglo-American Oil Company to obtain a petroleum concession in Abyssinia.

The representative of the Anglo-American Oil Company in New York in a letter to the Department states that the President of the company and his associates have suggested that full credit be given to you and to the Consul General at London for very valuable assistance rendered in negotiating the concession.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

TA

ALVEY A. ADEE
NOV 18 1920

ACM:MHM
TA

WWC

884.6363/118

10000

INDEX BUREAU
DEC
27
1920
DEPT OF STATE

T Agls

26 Broadway,

Office of Foreign Trade Advisor
DEC 27 1920
DEPARTMENT OF STATE

C. A. Eames. New York, December 23, 1920

SUBJECT.

TA-884.6363/17

Honorable The Secretary of State,
Washington, D.C.

Sir:

Receipt is acknowledged of your confidential communication of the 22d instant, reference as above, for which please accept thanks. Should I at any time be in Washington I shall be glad to discuss the matter under review with the Officials of the Department, and in the meantime assuring you of our appreciation of your cooperation in this matter, I am

Respectfully yours,

C. A. Eames
Director.

CAE/EP

INDEX BUREAU
884.6363/18

FILED
DEC 27 1920

3

COPY SENT TO THE PRESIDENT

TAgal

TELEGRAM RECEIVED.

21118

Copy of telephone & Cable (Tank Tonk) to Mission & London. Sec - S.

61—945

FROM

L. S. Gray.

INDEX BUREAU
Rec'd
JAN 3 1921
Dept of State

Dated Janql, 1921.

Recd. 1139, am.

Secretary of State,

Washington, D. C.

DEPARTMENT OF STATE
JAN 3 19..
File No.

Amb. London Cable to London 1-8-21

January 1, 11am. Referring to American petroleum concession in Abyssinia, information received oil found quantities geological conditions yet unascertained. Division of American concession with British represented by Abyssinian corporation as explained my 10127 of September 6th has resulted in protest from French to British Government on the ground of violation of apparently secret agreement between British, French and Italian Government's that no commerical advantages would be sought or obtained by one party without consultation and agreement with other two parties. French colonial authorities through Franklin Bouillon are urging Standard scale French interests to co-operate with them upon extensive railway from coast and supplying capital for general exploration and development. Abyssinian Corporation is supported by Foreign Office.

(Not signed)

884.6363/13

FILED
MAY 28 1921

corrected 1-21-21 HWB

corrected 6-2-21 HWB

of the Agreement by the Prime Ministers. The Department is

PARAPHRASE OF CABLEGRAM FROM LONDON DATED

JANUARY 1, 1921, RECEIVED 11;39 a.m. Stuills

~~CONFIDENTIAL~~

With reference to the petroleum concession granted to the Anglo-American Company in Abyssinia information has been received to the effect that oil has been found; quantities and geological conditions have not been ascertained. The division of the Anglo-American concession with the British represented by the Abyssinian corporation which was described in my despatch No. 10127 of December 6, 1920, has caused a protest from the Government of France to the Government of Great Britain based on alleged violation of a clause between the Governments of Great Britain, France and Italy, which was apparently secret, providing that one party would not seek to obtain any commercial advantage except after agreement and consultation with the other two parties. The Colonial authorities of the French Government through Franklin Bouillon are urging cooperation with them on the part of Standard interests upon an extensive scale; it is proposed that the Standard interests take over the French railway from the coast and French capital for purposes of general exploration and development. The British Foreign Office is giving support to the Abyssinian Corporation.

PREPARING OFFICE
WILL INDICATE WHETHER
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TELEGRAM SENT.

Gray.

Department of State

Washington,

~~8~~ 17

January 8, 1921.

2 pm

American Consul,

London.

11 am

Your January 1 regarding petroleum concession in Abyssinia. To which Standard do you refer? Transmit further information obtainable especially with reference to the clause of the Treaty between Great Britain, France and Italy referred to, also whether Anglo-American represents American or British interests.

Davis
ACTING

884.6363/19

TA FRF BLC

JAN 15 1921

Ciphered by EBS

Sent by operator 2:45p M., 1-17, 1921.

Index Bu.—No. 80.

1—138

No.

January 11/8, 1921.

Robert P. Skinner, Esquire,
American Consul General,
London.

Sir:

Reference is made to your telegram of January 1, and previous correspondence relative to the petroleum concession recently granted to the Anglo-American Oil Company in Abyssinia.

You have already been instructed by telegraph to transmit certain information relative to this matter. In addition the Department desires to learn whether the plan of the French Colonial Authorities for development in Abyssinia in cooperation with the Standard Oil Company is contingent upon the annulment of the Agreement which was recently formed between the Anglo-American Company and the Abyssinian Corporation and whether the execution of the French plan is inconsistent with the provisions of that Agreement.

The Department has instructed the American Consul at Aden to keep in close touch with the situation in Abyssinia and to notify the Department promptly in case he should fail to receive information or in case there should appear to be danger of the disapproval of the Agreement by the Prince Regent. The Department

is

is considering the advisability of instructing the Consul, in case there appears to be danger that the Agreement will not be approved, to support the representations of the British Legation for the ratification of the Agreement. It is suggested that you transmit your opinion regarding the advisability of such a course.

In addition, you should transmit any evidence in your possession regarding the ownership and control of the Anglo-American Company. It is generally understood that this Company is controlled by the Standard Oil Company of New Jersey. This is stated in your previous despatches on this question and is also indicated by information obtained by agents of the Department in this country. Representatives of the Anglo-American Company, however, deny that such connection exists between the two companies. It is felt that since the Department may be called upon to support this company and its operations in Abyssinia, it is highly important that specific information be obtained on the matter of the ownership of this Company. In particular, it is necessary to learn what direct or indirect influence British interests may possess over it, or may be likely to obtain in the near future.

I am, Sir,

Your obedient servant,

For the Acting Secretary of State:

John Farr Simmons

1921

AUDLEY A. ADEE

TA

FRF:BLC
TA

A copy ... the Spanish Legation.

21514

No. 431.

AMERICAN CONSULATE.

Aden, Arabia, December 15, 1920.

~~CONFIDENTIAL.~~

SUBJECT: Exploitation of Abyssinian Concession by Anglo-American Oil Company, Limited.

~~CONFIDENTIAL~~

~~Not for~~ publication.

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to forward herewith as Enclosures Nos. 1, 2, 3, and 4, respectively, copies of correspondence which it is believed will be of interest to the Department as further establishing the British attitude toward the exploitation of a concession in Abyssinia by the Anglo-American Oil Company, Limited, of London.

Full discussion of the relations and activities of the Anglo-American Oil Company, Limited, and the British interests represented by the Abyssinian Corporation, Limited, is given in this Consulate's despatches Nos. 400, 405, 409 and 429, of July 19, and 20, September 6, and November 11, 1920, respectively.

The enclosures herewith are copies of correspondence carried on between D. A. Sandford, newly appointed general manager of the Abyssinian Corporation, Limited, Doctor Barnum Brown and Major S. S. Rooney, representatives in Abyssinia of the Anglo-American Oil Company, Limited, and James Hamilton, the director of the American company in London who is in direct charge of the Abyssinian expedition and its affairs.

The

The agreement for the working of Harrar province, discussed in this Consulate's despatch No. 409, was entered into in August of this year at Adis Abeba between the Anglo-American--Baghdassarian representatives and C. F. Rey, then general manager of the Corporation but since relieved by D. A. Sandford. The latter gentleman passed through Aden a few weeks ago and in the course of conversation with the undersigned stated that Rey, his predecessor, had let the Corporation "down badly" in entering into the agreement with the Anglo-American company and that he, Sandford, would by fair means or otherwise attempt to bring about a new agreement which would be more favorable to his company. He attempted to persuade me to his point of view and to get me to advise the Anglo-American representatives accordingly, but I told him that I had no jurisdiction in the matter. He intimated, quite indirectly of course, that he could make trouble for the American company if it would not consent to a new agreement and that he had the full backing of influential members of the British government in obtaining greater rights for his company in Harrar province.

Mr. Sandford's letter of November 16, 1920, to Doctor Barnum Brown -- Enclosure No. 1 -- indicates that he is going to attempt to bluff the Anglo-American Company into giving up at least a part of the rights obtained under the legal, and properly signed and sealed, agreement with his predecessor. This letter is considered by this Consulate to be purely bluff. The replies of Doctor Brown and Major Rooney -- Enclosures Nos. 2 and 3 -- are quite moderate and brief. The letter of Major Rooney to his Director in London -- Enclosure No. 4-- takes up some of the points raised in Mr. Sandford's letter and in a general way

coincides

coincides with the opinions of, and information possessed by, this Consulate.

The Anglo-American Company does not actually hold a concession but is working under a concession issued to Hagop M. Baghdassarian, which contains the following article as translated from the original Amharic into English:

> "Article 19. All oil which may be found in the half province of Harrar alloted to Mr. Baghdassarian, and referred to in Article 10 of this concession, is to be worked for by the Anglo-American Oil Company, Limited, according to an agreement made in London between the said company and Mr. H. Baghdassarian."

This article was inserted in the Baghdassarian concession by His Highness Ras Tafari directly upon the request and influence of this Consulate which believed such an article to be absolutely necessary fully to protect the rights of the American company particularly against any double-dealing by Baghdassarian. The latter gentleman was not honest with the Anglo-American Company in the negotiations relative to the original concession held by him, for the reason, among others, that he was at the same time negotiating with the Abyssinian Corporation and denied it to the American company. Without this article in the new concession Baghdassarian could very easily betray the American company to the Corporation should the latter make it worth his while, and there is no doubt but that the Corporation under the new general manager and other present circumstances would attempt to make it worth his while.

The Anglo-American representatives have practically completed their exploration and prospecting and will shortly proceed to London to report to their board

of

of directors and, provided the findings are favorable, to discuss ways and means for actual drilling and exploitation.

The written and verbal threats of Mr. Sandford, although they be somewhat veiled, indicate the probability that the British interests, backed presumably by the British Legation, will now overlook no opportunity for placing obstacles in the way of the American company. If, however, the Department has available an official representative to proceed to Adis Abeba when the occasion requires to contribute by his presence and direct presentation of the American viewpoint a sort of moral support, so to speak, to the Abyssinian government against the possible threats and unreasonable demands of the British official and non-official representatives of the Abyssinian Corporation, the American company should have no difficulty in exercising its legal and rightful privileges in exploiting such oil-fields as may be discovered in the province of Harrar. These rights were obtained legally and openly, as outlined in this Consulate's despatch No. 409 of September 6, 1920, and the agreement to which Mr. Sandford objects was fairly obtained -- although the agreement is greatly to the advantage of the American company because the then Abyssinian Corporation representatives were outgeneralled in the negotiations by the Anglo-American representatives -- and can legally be repudiated, it would seem, only by Ras Tafari, or by the mutual consent of the Abyssinian Corporation and the Anglo-American--Baghdassarian groups as the parties to the agreement.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 863.

COPY.

Enclosure No. 1.

Adis Abeba, Abyssinia,

November 16, 1920.

Dr. Barnum Brown,

Anglo-American Oil Company,

Dire-Dawa.

Dear Dr. Brown:

I was sorry to miss you when I passed through Dire-Dawa the other day.

I wanted to discuss with you the situation in which we find ourselves re the Harrar concession which is not very satisfactory.

The agreement signed by Messrs. Rey and Shepperson on August 20th, 1920, was entered into by us on the understanding that it was subject to the approval of Ras Tafari.

The Ras shows no signs of any intention to ratify this agreement and pressure is being brought to bear on him from other quarters to prevent him doing so.

I pointed this out to Major Rooney of your Company when I passed through Dire-Dawa on October 25th and requested him to ask you to discuss matters with me on my return. I regret that you did not think it worth while to do so yourself or to send one of your large staff to meet me.

May I say quite frankly I see no reason why we should allow you to tie our hands in this way and unless you show some signs of wishing to help me in a difficult situation I shall consider myself free to reconsider the whole question.

Perhaps it will help you to see my point of view if I tell you how I regard the negotiations with your Company. You arrived on the scene out here at an awkward moment for us. By straight and above board dealing Sir Frederick Lugard obtained the Harrar concession in April last, but had to leave the important matter of the exact delimitation of the concession to a later date. Abyssinia is a difficult country to do business in, you probably know enough of the country by now not to criticize. It was however clearly understood by Sir Frederick, myself and Mr. Zaphiro what this delimitation would be, (very much what has been drawn as the N.W. and S.E. dividing line in the Shepperson-Rey agreement) and if pressed on the point the Ras could not deny this. Unfortunately when you arrived on the scene, neither Sir Frederick, Mr. Zaphiro or myself were here; and you seized on flaw in our dispositions , and by "bluffing" all out, succeeded in getting Rey to accept a compromise. I will your party the credit of being frank. You let us know you thought we were in a cleft stick and you intended to make the most of the chance and you were, from your point of view, pardonably exultant when you succeeded

The

The line you took and your attitude does not make me personally over eager to help you now.

You hold no concession; but you think that you are on safe ground if you go and ascertain whether the hoped for concession is of value before pressing for the ratification of your agreement. (Of course the concession is valueless you will clear out and cut your losses). If you find paying oil, you think you will bring up all your big guns and be able to compel the Ras to ratify.

You are the best judge of the line of conduct that suits you best; but I have to look at matters from our point of view. We have paid £ 30,000 in all for a concession, which naturally not being a mining company we intend to get others to work for us, retaining our interest. The concession as it originally stood, without prospecting having taken place, had a market value has been greatly diminished by the agreement with you and should you be allowed to continue prospecting and find no oil or minerals it will be worthless. In the original we had a thing in our hands of sure value if we allow you to continue prospecting we run the risk of losing all we have paid for it.

It would be folly for me to allow my principals in London to be left in such a position -- a position never intended by us when negotiating with you -- and as you do not appear to appreciate our point of view as expressed by me verbally to Major Rooney, I am inclined to throw myself in the scale against ratification.

You will understand that I am approaching you personally to clear the ground before making definite recommendations to my Board in London.

I need not say that if the agreement is ratified we shall of course abide by it, but if it is not ratified I think there will have to be willing cooperation on both sides. I throw out a suggestion to you that we amalgamate our interests. There are several ways of doing this. You could buy us out giving us an interest in oils and minerals found; you could buy our oil rights and leave us minerals in both concessions; we could combine the two concessions taking joint share in minerals, except oil which you will work giving us say a 20% interest.

If you think that your Directors would be prepared to accept an arrangement of this sort, I suggest we should cable to our principals in London and ask them to negotiate details. Should an agreement be reached, I have no doubt that together we should be strong enough to carry ratification.

I should be much obliged if you would give me a reply to this letter without delay. I am sure you will, after reading it, appreciate my point of view and the frankness with which I have tried to state it.

Yours sincerely,

Signed. D. A. Sandford.

COPY.

ENCLOSURE NO. 2.

November 30, 1920.

Colonel D. A. Sandford,

The Abyssinian Corporation, Limited,

Adis Abeba.

Dear Colonel Sandford:

I was too sorry to miss you in Dire Dawa. The position of my work was such that I could not leave the caravan longer than a week and your return was uncertain. However, Major Rooney has full authority to speak for the Company and I have sent him your letter for reply.

In your letter of November 16, just received, there are some statements with which I do not agree and some to which I object. I did no "bluffing" in Adis Abeba, but used straightforward unambiguous English befitting the kind of work we are doing in this country.

At present I cannot recommend an amalgamation with your Company. That is a matter for the Directors to decide after I have presented my information to them.

Very Sincerely

Far from our work here being prejudicial to your interests, it has vastly increased the value, and cooperation with us will still further increase that value.

I am speaking frankly to you, Mr. Sandford, as I would to our own Directors, and am giving you my personal point of view. If this Company is compelled to leave the country, your Concession would certainly depreciate in value; whereas, our development will greatly augment its value.

With best wishes, I am,

Sincerely yours,

Signed. Barnum Brown.

COPY.

Enclosure No. 3.

December 6, 1920.

Colonel D. A. Sandford,

The Abyssinian Corporation, Limited,

Adis Abeba.

Dear Sir:

I have received your letter of November 16, to Dr. Barnum Brown, which he has returned to me for attention, as this comes within my province. However, I think the matters mentioned therein had better be handled by our Directors and I have therefore forwarded your letter to London.

In reference to the paragraph concerning amalgamation I trust that your Directors may be ready to say what oil and minerals rights they have to sell.

Be assured that we fully appreciate your frank exposition of your point of view.

I am also enclosing a letter dictated by the Doctor and written and signed by me at his request.

Trusting that this is satisfactory, I remain,

Very truly yours,

Signed. S. S. Rooney.

COPY.

Enclosure No. 4.

Dire-Dawa, Abyssinia,

December 6, 1920.

Mr. James Hamilton, Director,

Anglo-American Oil Company, Limited,

London.

Dear Sir:

Three pack mules in charge of ascaris arrived here last night with letters from the caravan and requisition from Mr. Powell for additional supplies. Also, the Doctor sent me Colonel Sanford's letter for handling together with his reply to Colonel Sandford.

This letter is a remarkable document, a mixture of silliness and impudence, and I am forwarding it to you for your perusal together with copies of my letter and that of the Doctor. I have made a copy for my file. I am also sending Southard a copy.

I don't know whether the Corporation is a creature of the Foreign Office or not. Everyone says it is and now Major Ferguson, who was intimate with the Legation crowd in Adis Abeba, says that they always strenuously denied it, but he is convinced it is. Rey was from the Board of Trade and Sandford from the Army and Consular Service, and it seems hardly credible that a real business concern would engage either one of them.

Anyway it looks as though they have received a few hearty kicks from the Foreign Office and the Board of Directors and are trying to recoup, but don't know how to do it. They have held up the ratification by the Ras Tafari, but this doesn't get them anywhere because the agreement is a legal and binding contract without ratification. It says nothing about requiring ratification by the Ras Tafari. He said he would approve any division of the province we might agree on, and this he did verbally to Mr. Southard and also said he would confirm it by his ratification on the agreement. This he hasn't done yet, but it is not necessary. Moreover, of course, the actual reading of the concession of the Corporation would give them less than the agreement, but the Colonel has evidently thought up someway through conversations with Sir Frederick Lugard and others to make "Eastern" mean something else.

The reference to one of our large staff not being at the train provokes the obvious retort that the staff is not for that purpose and it is just as easy for the Colonel to go to caravan as for the caravan to come to the Colonel. He evidently doesn't approve the size of the staff. He passed through at the time I was with the caravan on the Jigg-Jigga trail.

One naturally inquires why they paid £ 30,000 (I understand incidentals bring it up to £ 40,000) for a half province, when they could have bought the whole from Baghdassarian for less. You know the history of the negotiations of the Corporation with Baghdassarian. The little scheme

of

of invalidating his concession was not thought of until after negotiations with him came to end.

The amalgamation proposal is for your consideration, though I cannot speak too strongly against it. In the first place you will note that the Colonel wants us to give them the lion's share, and secondly, they have nothing to contribute of any value to us, but he evidently counts on getting "backsheesh" to buy off his opposition. Their concession is valueless regardless of what it contains on account of its distance from transportation, and their business reputation and ability is such that their assistance would be of no use.

I would suggest that you take no action whatever, but wait until the Corporation Board approaches you, and by that time you should be in possession of the Doctor's report. By doing nothing and being non-committal we can force them into the open and find out what they are up to. You might inquire when they approach you what concession they have and what are the delimitations. The Doctor thinks the Foreign Office may take the matter with you, but I think they will work through the Corporation. The claim that we have no concession of course refers to the fact that Baghdassarian is the concession holder with the implied threat that they may buy him up. This however would be very expensive for them and would still leave our oil rights intact.

Although three weeks have elapsed since the Colonel wrote this letter, he has not carried out his threat to prevent our prospecting, but he may have tried. This also would be an expensive proceeding. The Doctor has gone to Harrisa without awaiting the long delayed permission from Major Dodds, and if he is successful, their rage will be terrific. I think though the Governor of Jigg-Jigga has wired Adis Abeba that he started and so Dodds will wire the Governor of Somaliland to send a party to stop him or to arrest him. However, he has his passport which Cane viseed.

In conclusion, the Corporation is either a real business run by madmen, or it is a political enterprise with two purposes at present; either to prevent the Anglo-American getting oil on the Red Sea littoral, or a scheme by means of a concession to acquire a sphere of influence on the Somaliland Border to use as a "jumping off2 place for the seizure (or whatever it will be called) of the province of Harrar and Abyssinia. Rey said that the backer of the Corporation was Baron Erlanger, the German-Jew banker of London. Francis Merton, of London, a stockholder, stated here in Abyssinia that the Corporation was not intended to make money.

I shall keep you informed of the progress of affairs as promptly as possible.

Faithfully yours,

Signed. S. S. Rooney.

TAgtt
ACE

TELEGRAM RECEIVED.

NO DISTRIBUTION

61—945

FROM

Gray 21836

DT

London.

Dated Jan. 18, 1921.

Recd. 2;25 p.m.

INDEX BUREAU
Rec'd
JAN 13 1921
Dept. of State.

DEPARTMENT OF STATE.
MA. 23 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

Office of Foreign Trade Advi...
JAN 19 19...

Tel draft
1/19/21

Secretary of State,

Washington D.C.

Strictly

January 18, 3 p.m.

884.6363/19

Department's 17th. My January 1st refers to standard

JAN 20 192...

Oil company. Anglo American Oil Company referred to in this connection is British Corporation of which American interests hold 80 per cent. It is for all practical purposes Standard Oil Company. Developments in Abyssinia are being directed by Anglo American but intention is to turn all Abyssinian property over to strictly American corporation as soon as practicable. Tripartite treaty relative to control Abyssinia was transmitted with my 10665 of January 5th. See also my 10680 of January 7th, also my despatch ~~of February 17~~ recommending appointment of permanent consul in Abyssinia which American interests look upon as very necessary in view of conflicting national claims.

SKINNER.

(*) APPARENT OMISSION

INDEX BUREAU
884.6363/21
JUL 5-1921 F...

FRT

H

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$

TELEGRAM SENT

CIPHER

Department of State

Washington,

January 19, 1921.

American Consul

London (England)

Your 18th, 3 P.M.

To which Standard Oil Company do you refer, New Jersey or New York?

Paris
Peking

884.6363/21

aem
FRF:MHM
TA

WWC

WE
LW
RMB

Paris S. 144-S

884.6363/21

Enciphered by .....

Sent by operator ..... M., Jan 19 '21. 9 pm

Index Bu.—No. 50.

1—138

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to Anglo-American Oil Co.
$ 6.38 26 Broadway, N.Y.

TELEGRAM SENT.

Cipher

RECEIVED
2ND ASST. SEC'Y

Department of State

Washington, June 24, 1920.

JUN 21

AmEmbassy

London (England)

657

Anglo American expedition is on way to Abyssinia to confirm oil concession. They have asked that Consul at Aden accompany party. Department believed that such action would lend an appearance of official support to an enterprise regarding which the Department lacks specific information. It has been suggested to Company's representative here that Anglo American officials in London should have an interview with you. Consul General is informed and should be consulted prior to the interview. Ascertain facts regarding the concession and attendant complications if any and exactly what service the company wishes the Consul to perform. Telegraph facts and your views.

BILLED
JUN 26 1920
ACTING

Based on telegram from the Am. Consul at Aden, Arabia, dated June 13, 1920; telegram from the Am. Consul General at London, dated June 7, 1920, and on a conversation between Mr. Eames of the Anglo American Company and Dr. A. C. Millspaugh.

File, But Accom. D.C.S.

ACM:MHM
TA ELB.

Enciphered by .....

Sent by operator..... M., 6/21, 1920.

Index Bu.—No. 10.

177A

TELEGRAM RECEIVED.

NOT DISTRIBUTED

01—845

FROM

DT

INDEX BUREAU
Rec'd
JAN 20 1921
Dept. of State.

GREY.

London.

Dated Jan. 20, 1921.

Recd. 2;51 p.m.

Office of Foreign Trade Advisers
JAN 20 19
Department of State

INDEX Bureau
884.6363/22

Secretary of state,

Washington D.C.

20th

884.6363/21

Department's 19th. All references of mine to standard mean standard of New Jersey.

SKINNER.

884.6363.

MAY 28 1921

WSB

PARAPHRASE OF A TELEGRAM.

From: American Consul General, LONDON, ENGLAND.
Dated: January 20, 1921.
Received: 2:51 P.M.

This is in reply to the Department's telegram of the 19th in which inquiry was made regarding the term "Standard Oil Company" as used in my telegram of the 17th relative to the concession in Abyssinia of the Anglo-American Oil Company. In all cases when I used the term "Standard" or "Standard Oil Company", I have reference to the Standard Oil Company of New Jersey.

22075

No.10680.
Confidential.

AMERICAN CONSULATE GENERAL,

LONDON: ENGLAND.

January 7, 1921.

SUBJECT: ANGLO-AMERICAN OIL EXPEDITION TO ABYSSINIA.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my 10127 of September 6, 1920, in regard to American petroleum development in Abyssinia. In that despatch I pointed out that the Anglo-American Oil Company Limited (representing the Standard in Great Britain) had obtained a concession in Abyssinia from a certain Mr. Baghdassarian, and that upon the arrival of the exploring party in Abyssinia, the Abyssinian Corporation, a British concern, succeeded in influencing the authorities to ignore this concession. Subsequently, a new concession was granted for the same territory, of which half was given to the American party and half to the Abyssinian Corporation. I cabled on January 1st that this appearance of British interests in the premises had become known to the French Government and had created very great irritation because of the existence of a formal agreement between Great Britain and France, dated December 13, 1906, according to which the powers joining in the agreement, Italy also being included, undertook to instruct their Representatives to act in such

a/

a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others."

For the further information of the Department I am enclosing a copy of a letter addressed by the Anglo-American Oil Company to Major S. S. Rooney, who is at the head of the expedition in Abyssinia, explaining in great detail, the complications in regard to the concession.

According to the letter which is annexed, it would appear that after the Baghdassarian concession had been granted, another concession dated May 9,1919 was granted to Messrs. Achille Bayart & Sons for the whole of Abyssinia and extended over a period of 75 years. Curiously enough this same concern purchased a quarter of the Baghdassarian concession. The French group gave as their reasons for securing a share in this concession, that they merely wished to have a hold on Baghdassarian. However, Messrs. Bayart's concession antedates the American concession of August last, and the practical question arises whether or not it is valid and precisely the position of the Abyssinian Government in relation to all of these transactions.

It is no doubt the case that generally speaking the concessions granted in Abyssinia are purely speculative, and the American concession is one of a very few granted to a serious concern capable of meeting its engagements and actually doing so at the present time. Nevertheless, with claims and counterclaims complicated by political pretentions likely to become more exaggerated if mineral deposits of value are discovered, it is quite evident that American representatives of private concerns in Abyssinia will be at a very considerable disadvantage in defending their interests

while/

while Great Britain, France and Italy maintain official agents in the country and are themselves bound to support each other in their various undertakings.

I call the Department's attention to my 10674 of January 7,1921, advising that a Consul General for Ethiopia (the official name of the country) be appointed.

I have the honor to be, Sir,

Your obedient Servant,

Robert P. Skinner.

American Consul General.

863.
RPS.ML.

Enclosure:

Copy of a letter to Major S. S. Rooney.

COPY

36 Queen Anne's Gate,
Westminster, S.W.1.
January 4th 1921.

H.11.

Major S. S. Rooney,
"Angamer",
Dirre Dana,
Abyssinia.

Strictly

Dear Major Rooney:

We thank you for your letter No.13 of the 4th instant which you sent through Mr. Phillips, acquainting us with the conditions in Abyssinia up to the time of writing, which is very enlightening.

The probability you mention in paragraph two is, we presume, not entirely borne out by later investigations as you are probably aware that we received a wire from Berbera promising something better.

We note the attitude you have taken up and suggest taking up in the future with the general agent and, for the present, it will be sufficient for us to say that we agree with same but please keep us fully advised. We sent you a cable to this effect on Dec.31st reading as follows :-

"Referring to your letter 13 General outline programme approved but keep us fully advised."

You will realise the importance of keeping us closely posted on your actions and intentions with regard to matters of any consequence when we tell you that complications have arisen at this end with the interests named in paragraph four on page four of your letter. In order that you may handle matters the more intelligently we will outline briefly the events in connection with our Concession as they have happened at this end, but you must please treat this as strictly confidential.

As you know, Dr. Brown obtained through the influence of our French friends in Paris a letter introducing him to the French authorities at Djiboute and Adis Ababa requesting them to facilitate his work with the Expedition. We are therefore obligated to these friends who cabled us some time ago that they had been compromised in that our operations in Abyssinia conflicted with powerful French interests and requested a discussion of the matter. It has only just been possible to arrange for such a discussion from which it appears Messrs. Achille Bayart & Sons were granted on May 9th 1919 by the Ras Taffari a Concession covering the whole of Abyssinia for precious stones and minerals, including petroleum. Under this Concession Messrs. Bayart are to form a Company which will prospect for and exploit the mineral wealth of Abyssinia on behalf of the Abyssinian Government over a period of 75 years. Any minerals discovered must be notified to the Abyssinian Government and work commenced on same within four years of such notification; failing such commencement the particular portion of territory concerned is liable to be withdrawn from the Concession without indemnity and conceded to others.

You have already reported that Baghdassarian had sold a quarter of his original concession to this group prior to our agreement with him which he had nominally brought back, after

signing/

signing our agreement, by means of a worthless cheque. This is confirmed from this end, so the reality is that Messrs. Bayart still hold a share in Baghdassarian's original concession. This concession the Ras has repudiated as an invalid document and the French group give us as their reasons for securing a share in same that they merely wished to have a hold on him.

Messrs. Bayart's Concession of course antedates ours of last August and what we particularly wish to ascertain is :-

(1) Whether the Ras has taken any stand against the validity of the French concession as a whole, and, if no:

(2) whether he has repudiated any part of such concession in order to grant us and the Abyssinian Corporation our particular portions of the Harrar Province and if so on what grounds.

In the meantime we sent you on December 30th the following cable:-

"Your letter No.13 with copy letter from party mentioned second page line two have read with interest. Ascertain his opinion of concession held by party mentioned fourth page line twenty nine. Do our interests conflict? (stop) We understand last party makes this claim".

We await your reply with interest.

Mr. Phillips has handed us the code words referred to in your letter which makes the arrangement quite clear.

Yours very truly,

(Signed) James Hamilton.

22036

No. 10665.

INDEX BUREAU JAN 22 1921 DEP'T OF STATE

AMERICAN CONSULATE GENERAL,

LONDON: ENGLAND.

January 5, 1921.

SUBJECT: BRITISH PETROLEUM POLICY - AGREEMENT BETWEEN THE UNITED KINGDOM, FRANCE AND ITALY.

Office of Foreign Affairs DEPARTMENT OF STATE

Copy to Lon (Mr. Toms) " " Teheran " " NE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to my telegram of January 1st 1921, advising the Department that the American exploration party in Abyssinia, operating for the Anglo-American Oil Company (the English Branch of the Standard Oil Company), had encountered oil. The extent and value of the petroleum deposit is as yet unknown. I also mentioned that the concession of a portion of the American controlled territory to the Abyssinian Corporation had elicited a protest from the French Government on the ground that British interests had concluded a contract favorable to themselves in violation of a tripartite agreement between the United Kingdom, France, and Italy. I was under the impression at the time that the agreement between the three countries was of a secret character. I am now enclosing a copy of this Agreement, signed at London on December 13, 1906, the striking sections of which are as follows :-

DEPT OF STATE ACKNOWLEDGED

Art.2. "As regards demands for agricultural, commercial, and industrial concessions in Ethiopia, the three Powers undertake to instruct their Representatives to act in such a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others.

Art 3./

Art.3. "In the event of rivalries or internal changes in Ethiopia, the Representatives of France, Great Britain, and Italy shall observe a neutral attitude, abstaining from all intervention in the internal affairs of the country, and confining themselves to such action as may be, by common consent, considered necessary for the protection of the Legations, of the lives and property of foreigners, and of the common interests of the three Powers. In no case shall one of the three Governments interfere in any manner whatsoever, except in agreement with the other two.

Art.4. "In the event of the status quo laid down in Article 1 being disturbed, France, Great Britain, and Italy shall make every effort to preserve the integrity of Ethiopia. In any case, they shall concert together, on the basis of the Agreements enumerated in the above-mentioned Article, in order to safeguard:

(a) The interests of Great Britain and Egypt in the Nile Basin, more especially as regards the regulation of the waters of that river and its tributaries (due consideration being paid to local interests), without prejudice to Italian interests mentioned in paragraph (b);

(b) The interests of Italy in Ethiopia as regards Erythraea and Somaliland (including the Benadir), more especially with reference to the hinterland of her possessions and the territorial connection between them to the west of Adis Abeba;

(c) The interests of France in Ethiopia as regards the French Protectorate on the Somali Coast, the hinterland of this Protectorate and the zone necessary for the construction and working of the railway from Jibuti to Adis Abeba.

Art.9. "The three Governments are agreed that all railway construction in Abyssinia west of Adis Abeba shall, in so far as foreign assistance is required, be carried out under the auspices of Great Britain. The three Governments are also agreed that all construction of railways in Ethiopia, joining the Benadir to Erythraea to the west of Adis Abeba, shall, in so far as foreign assistance is required, be carried out under the auspices of Italy."

It does not appear that the Government of Abyssinia has been consulted with reference to the above understandings, one of which would prevent the United States from participating in the railway construction in Abyssinia.

I have the honor to be, Sir,

Your obedient Servant,

Robert P. Skinner

American Consul General.

863.
RPS.ML.

Enclosure: Copy of Agreement.

22036

TREATY SERIES. No. 1.

1907.

AGREEMENT

BETWEEN

THE UNITED KINGDOM, FRANCE, AND ITALY

RESPECTING

ABYSSINIA.

Signed at London, December 13, 1906.

Presented to both Houses of Parliament by Command of His Majesty.
January 1907.

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AGREEMENT BETWEEN THE UNITED KINGDOM, FRANCE, AND ITALY, RESPECTING ABYSSINIA.

Signed at London, December 13, 1906.

L'INTÉRÊT commun de la France, de la Grande-Bretagne, et de l'Italie étant de maintenir intacte l'intégrité de l'Éthiopie, de prévenir toute espèce de trouble dans les conditions politiques de l'Empire Éthiopien, d'arriver à une entente commune en ce qui concerne leur conduite en cas d'un changement de situation qui pourrait se produire en Éthiopie, et de pourvoir à ce que, de l'action des trois États, en protégeant leurs intérêts respectifs, tant dans les possessions Britanniques, Françaises, et Italiennes avoisinant l'Éthiopie qu'en Éthiopie même, il ne résulte pas de dommages préjudiciables aux intérêts de l'une quelconque des trois Puissances, la France, la Grande-Bretagne, et l'Italie donnent leur agrément à l'Arrangement suivant :—

Article 1er. La France, la Grande-Bretagne, et l'Italie sont d'accord pour maintenir le *statu quo* politique et territorial en Éthiopie tel qu'il est déterminé par l'état des affaires actuellement existant et les Arrangements suivants :

(*a.*) Les Protocoles Anglo-Italiens des 24 Mars et 15 Avril, 1891, et du 5 Mai, 1894, et les Arrangements subséquents qui les ont modifiés, y compris les réserves formulées par le Gouvernement Français à ce sujet en 1894 et 1895 ;

(*b.*) La Convention Anglo-Éthiopienne du 14 Mai, 1897, et ses annexes ;

(*c.*) Le Traité Italo-Éthiopien du 10 Juillet, 1900 ;

(*d.*) Le Traité Anglo-Éthiopien du 15 Mai, 1902 ;

(*e.*) La note annexée au Traité précité du 15 Mai, 1902 ;

(*f.*) La Convention du 11 Mars, 1862, entre la France et les Dannakils ;

(*g.*) L'Arrangement Franco-Anglais des 2-9 Février, 1888 ;

(*h.*) Les Protocoles Franco-Italiens du 24 Janvier, 1900, et du 10 Juillet, 1901, pour la délimitation des possessions Italiennes et Françaises dans le littoral de la Mer Rouge et le Golfe d'Aden ;

(*j.*) La Convention Franco-Éthiopienne pour les frontières du 20 Mars, 1897.

Il est entendu que les diverses Conventions mentionnées dans le présent Article ne portent aucune atteinte aux droits souverains de l'Empereur d'Abyssinie et ne modifient en rien les rapports entre les trois Puissances et l'Empire Éthiopien tels qu'ils sont stipulés dans le présent Arrangement.

Art. 2. Pour les demandes de concessions agricoles, commerciales, et industrielles en Éthiopie, les trois Puissances donneront pour instructions à leurs Représentants d'agir de telle sorte que les concessions qui seront accordées dans l'intérêt d'un des trois États ne nuisent pas aux intérêts des deux autres.

Art. 3. Si des compétitions ou des changements intérieurs se produisaient en Éthiopie, les Représentants de la France, de la Grande-Bretagne, et de l'Italie observeraient une attitude de neutralité, s'abstenant de toute intervention dans les affaires du pays et se bornant à exercer telle action qui serait, d'un commun accord, considérée comme nécessaire pour la protection des Légations, des vies et des propriétés des étrangers, et des intérêts communs des trois Puissances.

En tous cas, aucun des trois Gouvernements n'interviendrait d'une manière et dans une mesure quelconques qu'après entente avec les deux autres.

Art. 4. Dans le cas où les événements viendraient à troubler le *statu quo* prévu par l'Article 1er, la France, la Grande-Bretagne, et l'Italie feront tous leurs efforts pour maintenir l'intégrité de l'Éthiopie. En tous cas, se basant sur les Accords énumérés au dit Article, elles se concerteraient pour sauvegarder :

(*a.*) Les intérêts de la Grande-Bretagne et de l'Egypte dans le bassin du Nil, et plus spécialement en ce qui concerne la réglementation des eaux de ce fleuve et de ses affluents (la considération qui leur est due étant donnée aux intérêts locaux), sous réserve des intérêts Italiens mentionnés au paragraphe (*b*);

(*b.*) Les intérêts de l'Italie en Éthiopie par rapport à l'Érythrée et au Somaliland (y compris le Benadir), et plus spécialement en ce qui concerne l'hinterland de ses possessions et l'union territoriale entre elles à l'ouest d'Addis Abeba ;

(*c.*) Et les intérêts Français en Éthiopie par rapport au Protectorat Français de la Côte des Somalis à l'hinterland de ce Protectorat et à la zone nécessaire pour la construction et le trafic du Chemin de Fer de Djibouti à Addis Abeba.

Art. 5. Le Gouvernement Français communique aux Gouvernements Britannique et Italien :

1. L'acte de concession du Chemin de Fer Franco-Éthiopien du 9 Mars, 1894 ;

2. Une communication de l'Empereur Ménélik en date du 8 Août, 1904, dont la traduction est annexée au présent Accord, et qui invite la Compagnie concessionnaire à construire le second tronçon de Diré Daoua à Addis Abeba.

Art. 6. Les trois Gouvernements sont d'accord pour que le Chemin de Fer de Djibouti soit prolongé de Diré Daoua à Addis Abeba, avec embranchement éventuel vers Harrar, soit par la Compagnie du Chemin de Fer Éthiopien en vertu des Actes énumérés à l'Article précédent, soit par toute autre Compagnie privée Française qui lui serait substituée avec l'agrément du

Gouvernement Français, à la condition que les nationaux des trois pays jouiront pour les questions de commerce et de transit d'un traitement absolument égal à la fois sur le chemin de fer et dans le port de Djibouti. Les marchandises ne seront passibles d'aucun droit fiscal de transit au profit de la Colonie ou du Trésor Français.

Art. 7. Le Gouvernement Français prêtera son concours pour qu'un Anglais, un Italien, et un Représentant de l'Empereur d'Abyssinie fassent partie du Conseil d'Administration de la ou des Compagnies Françaises qui seront chargées de l'exécution et de l'exploitation du Chemin de Fer de Djibouti à Addis Abeba. Il est stipulé par réciprocité que les Gouvernements Anglais et Italien prêteront leurs concours pour qu'un poste d'Administrateur soit également assuré dans les mêmes conditions à un Français, dans toute Société Anglaise ou Italienne qui aurait été formée ou se formerait pour la construction ou l'exploitation de chemins de fer allant d'un point quelconque en Abyssinie à un point quelconque des territoires voisins Anglais ou Italiens. De même, il est entendu que les nationaux des trois pays jouiront pour les questions de commerce et de transit d'un traitement absolument égal à la fois sur les chemins de fer qui seraient construits par des Sociétés Anglaises ou Italiennes et dans les ports Anglais ou Italiens d'où partiraient ces chemins de fer. Les marchandises ne seront passibles d'aucun droit fiscal de transit au profit des Colonies ou des Trésors Anglais et Italien.

Les trois Puissances Signataires sont d'accord pour étendre aux nationaux de tous les autres pays le bénéfice des dispositions des Articles 6 et 7 relatives à l'égalité de traitement en matière de commerce et de transit.

Art. 8. Le Gouvernement Français s'abstiendra de toute intervention en ce qui concerne la concession précédemment accordée au delà d'Addis Abeba.

Art. 9. Les trois Gouvernements sont d'accord pour que toute construction de chemin de fer en Abyssinie à l'ouest d'Addis Abeba soit, dans la mesure où un concours étranger est nécessaire, exécutée sous les auspices de l'Angleterre. De même, les trois Gouvernements sont d'accord pour que toute construction de chemin de fer en Éthiopie reliant le Benadir à l'Érythrée à l'ouest d'Addis Abeba soit, dans la mesure où un concours étranger est nécessaire, exécutée sous les auspices de l'Italie. Le Gouvernement Britannique se réserve le droit de se servir, le cas échéant, de l'autorisation accordée par l'Empereur Ménélik à la date du 28 Août, 1904, de construire un chemin de fer du Somaliland Britannique à travers l'Éthiopie jusqu'à la frontière Soudanaise, à la condition, toutefois, de s'entendre au préalable avec les Gouvernements Français et Italien, les trois Gouvernements s'interdisant de construire sans entente préalable aucune ligne pénétrant en territoire Abyssin ou devant se raccorder aux lignes Abyssines, et de nature à faire concurrence directe à celles qui seront établies sous les auspices de l'une d'elles.

Art. 10. Les Représentants des trois Puissances se tiendront

réciproquement complètement informés et coopéreront pour la protection de leurs intérêts respectifs. Dans le cas où les Représentants Anglais, Français, et Italiens ne pourraient pas se mettre d'accord, ils en référeraient à leurs Gouvernements respectifs et suspendraient en attendant toute action.

Art. 11. En dehors des Arrangements énumérés à l'Article 1er et à l'Article 5 de la présente Convention, aucun Accord conclu par l'une quelconque des Puissances Contractantes en ce qui concerne la région Éthiopienne ne sera opposable aux autres Puissances Signataires du présent Arrangement.

Fait à Londres, le 13 Décembre, 1906.

(L.S.) E. GREY.
(L.S.) PAUL CAMBON.
(L.S.) A. DE SAN GIULIANO.

Annexe.

Traduction de la Lettre Impériale du 8 Août, 1904, autorisant la Compagnie du Chemin de Fer à entreprendre la Construction de la Ligne de Diré Daoua à Addis Abeba.

LION, vainqueur de la tribu de Judas, Ménélik II, élu du Seigneur, Roi des Rois d'Éthiopie, à M. le Ministre Plénipotentiaire du Gouvernement Français à Addis Abeba,

Salut !

Afin que la Compagnie du Chemin de Fer ne perde pas de temps inutilement, je vous informe qu'il est de ma volonté qu'elle entreprenne vite les travaux de la ligne de Diré Daoua à Addis Abeba. Seulement pour les contrats, nous nous entendrons dans la suite avec la Compagnie du Chemin de Fer.

Écrit le 2 Naassé de l'an de grâce 1896 (ère Abyssine), en la ville d'Addis Abeba (le 8 Août, 1904).

DECLARATION signed at London, December 13, 1906.

LE Ministre des Affaires Étrangères d'Italie fait observer que l'Italie a des Traités avec le Sultan de Lugh, le Sultan de Raheita, et les Dannakils regardant des questions de frontière. Ces Traités devant faire l'objet d'une négociation avec le Gouvernement Éthiopien, il est impossible de les comprendre dans l'énumération de l'Article 1er, mais le Gouvernement Italien se réserve de les communiquer à l'Angleterre et à la France après l'issue des négociations.

Le Ministre des Affaires Étrangères d'Angleterre et l'Ambassadeur de France donnent acte au Ministre des Affaires Étrangères d'Italie de cette déclaration.

Londres, le 13 *Décembre,* 1906.

(Signé) E. GREY.
(Signé) PAUL CAMBON.
(Signé) A. DE SAN GIULIANO.

(Translation.)

It being the common interest of France, Great Britain, and Italy to maintain intact the integrity of Ethiopia, to provide for every kind of disturbance in the political conditions of the Ethiopian Empire, to come to a mutual understanding in regard to their attitude in the event of any change in the situation arising in Ethiopia, and to prevent the action of the three States in protecting their respective interests, both in the British, French, and Italian possessions bordering on Ethiopia and in Ethiopia itself, resulting in injury to the interests of any of them, the Government of the French Republic, the Government of his Britannic Majesty, and the Government of Italy have assented to the following Agreement:—

Article 1. France, Great Britain, and Italy shall co-operate in maintaining the political and territorial *status quo* in Ethiopia as determined by the state of affairs at present existing, and by the following Agreements:

(*a.*) The Anglo-Italian Protocols of the 24th March and 15th April, 1891, and of 5th May, 1894, and the subsequent Agreements modifying them, including the reserves formulated by the French Government in 1894 and 1895;

(*b.*) The Anglo-Ethiopian Convention of 14th May, 1897, and its annexes;

(*c.*) The Italo-Ethiopian Treaty of 10th July, 1900;

(*d.*) The Anglo-Ethiopian Treaty of 15th May, 1902;

(*e.*) The note annexed to the above-mentioned Treaty of 15th May, 1902;

(*f.*) The Convention of 11th March, 1862, between France and the Dannakils;

(*g.*) The Anglo-French Agreement of 2nd–9th February, 1888;

(*h.*) The Franco-Italian Protocols of 24th January, 1900, and 10th July, 1901, for the delimitation of the French and Italian possessions on the littoral of the Red Sea and the Gulf of Aden;

(*j.*) The Franco-Ethiopian Frontier Convention of 20th March, 1897.

It is understood that the various Conventions mentioned in this Article do not in any way infringe the sovereign rights of the Emperor of Abyssinia, and in no respect modify the relations between the three Powers and the Ethiopian Empire as stipulated in the present Agreement.

Art. 2. As regards demands for agricultural, commercial, and industrial concessions in Ethiopia, the three Powers undertake to instruct their Representatives to act in such a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others.

Art. 3. In the event of rivalries or internal changes in Ethiopia, the Representatives of France, Great Britain, and Italy shall observe a neutral attitude, abstaining from all intervention in the internal affairs of the country, and confining themselves to such action as may be, by common consent, considered necessary for the protection of the Legations, of the lives and property of foreigners, and of the common interests of the three Powers. In no case shall one of the three Governments interfere in any manner whatsoever, except in agreement with the other two.

Art. 4. In the event of the *status quo* laid down in Article 1 being disturbed, France, Great Britain, and Italy shall make every effort to preserve the integrity of Ethiopia. In any case, they shall concert together, on the basis of the Agreements enumerated in the above-mentioned Article, in order to safeguard :

(*a.*) The interests of Great Britain and Egypt in the Nile Basin, more especially as regards the regulation of the waters of that river and its tributaries (due consideration being paid to local interests), without prejudice to Italian interests mentioned in paragraph (*b*) ;

(*b.*) The interests of Italy in Ethiopia as regards Erythræa and Somaliland (including the Benadir), more especially with reference to the hinterland of her possessions and the territorial connection between them to the west of Adis Abeba ;

(*c.*) The interests of France in Ethiopia as regards the French Protectorate on the Somali Coast, the hinterland of this Protectorate and the zone necessary for the construction and working of the railway from Jibuti to Adis Abeba.

Art. 5. The French Government communicates to the British and Italian Governments :

(1.) The Concession of the Franco-Ethiopian Railway of 9th March, 1894 ;

(2.) A communication from the Emperor Menelek dated 8th August, 1904, the translation of which is annexed to the present Agreement, inviting the Company to whom the above Concession was granted to construct the second section of the line from Diré Dawa to Adis Abeba ;

Art. 6. The three Governments agree that the Jibuti Railway shall be prolonged from Diré Dawa to Adis Abeba, with a branch line to Harrar eventually, either by the Ethiopian Railway Company in virtue of the deeds enumerated in the preceding Article, or by any other private French Company which may be substituted therefor, with the consent of the French Government, on condition that the nationals of the three countries shall enjoy in all matters of trade and transit absolute equality of treatment on the railway

and in the port of Jibuti. Goods shall not be subject to any fiscal transit duty levied for the benefit of the French Colony or Treasury.

Art. 7. The French Government will endeavour to arrange that an English, an Italian, and an Abyssinian Representative shall be appointed to the Board of the French Company or Companies which may be intrusted with the construction and working of the railway from Jibuti to Adis Abeba. The British and Italian Governments will reciprocally endeavour to arrange that a French Director shall in like manner and on the same conditions be appointed to the Board of any English or Italian Company which has been or may be formed for the construction or working of railways running from any point in Abyssinia to any point in the adjoining English or Italian territory. It is likewise agreed that the nationals of the three countries shall enjoy in all matters of trade and transit absolute equality of treatment, both on the railways which may be constructed by English or Italian Companies, and in the English or Italian ports from which these railways may start. Goods shall not be subject to any fiscal transit duty levied for the benefit of the British or Italian Colonies or Treasuries.

The three Signatory Powers agree to extend to the nationals of all other countries the benefit of the provisions of Articles 6 and 7 relating to equality of treatment as regards trade and transit.

Art. 8. The French Government will abstain from all interference as regards the Concession previously granted beyond Adis Abeba.

Art. 9. The three Governments are agreed that all railway construction in Abyssinia west of Adis Abeba shall, in so far as foreign assistance is required, be carried out under the auspices of Great Britain. The three Governments are also agreed that all construction of railways in Ethiopia, joining the Benadir to Erythræa to the west of Adis Abeba, shall, in so far as foreign assistance is required, be carried out under the auspices of Italy.

The Government of His Britannic Majesty reserve to themselves the right, in case of need, to make use of the authorization, granted by the Emperor Menelek on the 28th August, 1904, to construct a railway from British Somaliland through Ethiopia to the Soudanese frontier, on condition, however, that they previously come to an agreement with the French and Italian Governments, the three Governments undertaking not to construct without previous agreement any line entering Abyssinian territory or intended to join the Abyssinian lines, which would compete directly with those established under the auspices of any one of them.

Art. 10. The Representatives of the three Powers will keep each other fully informed, and will co-operate for the protection of their respective interests. In the event of the British, French, and Italian Representatives being unable to agree, they will refer to their respective Governments, suspending all action meanwhile.

Art. 11. Beyond the Agreements enumerated in Articles 1 and 5

of the present Convention, no Agreement concluded by any one of the Contracting Powers concerning Ethiopia shall affect the other Signatory Powers of the present Agreement.

Done at London, December 13, 1906.

(Signed) E. GREY.
(Signed) PAUL CAMBON.
(Signed) A. DE SAN GIULIANO.

Annex.

Translation of the Imperial Letter of August 8, 1904, *authorizing the Railway Company to undertake the Construction of the Line from Diré Daoua to Adis Abeba.*

THE Lion, conqueror of the tribe of Judah, Menelek II, elect of the Lord, King of Kings of Ethiopia, to the French Minister Plenipotentiary at Adis Abeba,

Greeting!

In order that the Railway Company may lose no time unnecessarily, I inform you that it is my will that it forthwith commence work on the line from Diré Daoua to Adis Abeba.

As regards the terms of the contract, however, we shall come to an arrangement later with the Railway Company.

Written the 2nd Naassé, in the year of grace 1896 (Abyssinian style), in the city of Adis Abeba (the 8th August, 1904).

DECLARATION signed at London, December 13, 1906.

THE Italian Minister for Foreign Affairs states that Italy has Treaties with the Sultan of Lugh, the Sultan of Raheita, and the Dannakils respecting frontier questions. Inasmuch as these Treaties must form the subject of negotiations with the Abyssinian Government, it is not possible to include them in the list contained in Article 1, but the Italian Government reserves to itself the right to communicate them to Great Britain and France after the termination of the negotiations.

His Majesty's Secretary of State for Foreign Affairs and the French Ambassador take note of the declaration made by the Italian Minister for Foreign Affairs.

London, December 13, 1906.

(Signed) E. GREY.
(Signed) PAUL CAMBON.
(Signed) A. DE SAN GIULIANO.

FEB 3 19

No. 10731.
~~Confidential.~~

AMERICAN CONSULATE GENERAL,

LONDON: ENGLAND.

January 20, 1921.

SUBJECT: PETROLEUM MATTERS - AMERICAN INTERESTS IN ABYSSINIA.

Office of Foreign Trade Advisers
FEB 5 19
INDEX BUREAU
884.6363
MAY 23 1921

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to the Department's instruction of January 4, 1921 (884.6363/17) bringing to my attention a despatch from the American Consul at Aden, dated November 11, 1920, with regard to the concession in the Province of Harrar, now being developed by the Anglo-American Oil Company. Before proceeding further, I may mention that the Anglo-American Oil Company is the representative of Standard interests in the United Kingdom, the stock to the extent of 80% being held in the United States, although the form of the company itself is that of a British corporation. Mr. Powell, the Managing Director, has advised me that, as soon as the prospecting work in Abyssinia has proceeded to the point which would admit of working plans being formed, the Abyssinian interests will be turned over to a strictly American corporation, no doubt with headquarters at 26 Broadway. In the meantime, the individuals in Abyssinia on behalf of the company are American citizens and are known as the Dudley Expedition, Colonel Dudley, now dead, having been an American Officer of the Anglo-American

Company./

Company. There can be no doubt whatever that the whole enterprise in Abyssinia is American, as to capital, spirit and intention, and is entitled to be regarded as such. I may also mention that the members of the Expedition are expected to return to London within a few weeks, when, no doubt, it will be possible to ascertain more definitely just what has been accomplished thus far.

With particular reference to Mr. Southard's despatch from Aden, dated November 11th last, I am now in a position to confirm the statement of Mr. Southard in general, but would like to point out an error of detail set out on Page 3 of the despatch in question, wherein it is stated that a Frenchman, M. Achille Bayard, is attempting to obtain an exclusive mineral concession for Harrar province. The fact appears to be that the Achille Bayard group are claiming mineral rights for the entire Empire of Abyssinia. The whole situation is confused by overlapping claims, concessions granted, cancelled and withheld, not to mention complications arising from the chicanery of certain individuals. However, emerging out of the whole position it seems to be quite clear that American interests entered Abyssinia a few months ago by virtue of the acquisition of what is called the Baghdassarian concession. When the validity of this concession was called into question, the Americans applied for a new concession for the province of Harrar. Thereupon British interests intervened through the instrumentality of the Abyssinian Corporation, supported by the British diplomatic representation in Abyssinia. As a consequence of these various steps the concession for the

province/

province of Harrar was ultimately divided between the American and British interests, and the American group are now at work actively prospecting in the area. In the meantime, as stated by Mr. Southard, the French have protested against the action of the British in seeking and obtaining a concession in the province of Harrar, without consulting them, invoking the terms of the agreement of December 13, 1906, which I transmitted to the Department on January 5th last. Mr. Southard, in his despatch, thinks that the French are objecting because of the applicability of Article 4 of the Agreement to the case in hand, but I am inclined to think that he is wrong in this respect, and that Article 2 of the Agreement is the one being more particularly invoked, as this Article provides that the three powers involved shall instruct their representatives "to act in such a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others." Now the French are claiming that an under-riding concession covering the whole of Abyssinia is already in existence and is held by Messrs. Achille Bayard et fils. Mr. Southard states that upwards of two million francs were paid out in order that this concession might be obtained, not for the province of Harrar as he mentions, but for the whole of Abyssinia, and he doubts the validity of the concession, and is probably right.

I have reviewed briefly all the circumstances in order to lead up to this concession, which is of a more sweeping character than any that I have ever seen. I have been permitted to obtain some information respecting the terms of this agreement, which I communicate herewith, and which I must ask the Department to regard, for the present, as highly

confidential./

confidential.

As I have already observed to the Department in an earlier despatch, Mr. Franklin Boullion on behalf of the competent French authorities, apparently, has approached the American group with a proposal that a commercial alliance of some sort be formed to take over the Bayard agreement, the French railway, and work the whole country along rational business lines. Nothing of a practical nature in this sense has yet been accomplished, and I believe that no decisions of any kind are likely to be taken until the explorers return from Abyssinia and report upon the outlook.

I have the honor to be, Sir,

Your obedient Servant,

Robert P. Skinner

American Consul General.

863.
RPS.ML.

Enclosure:

January 19, 1921.

NOTES RESPECTING AN AGREEMENT BETWEEN RAS TAFFARI, HEIR APPARENT TO THE THRONE OF ABYSSINIA AND MESSRS ACHILLE BEYARD ET FILS RESPECTING MINERAL RIGHTS.

The agreement is dated May 9, 1919, and runs for seventy-five (75) years. According to the agreement the Ras Taffari on behalf of the Ethiopian government "has taken over itself (Ethiopian government) in order to exploit all the minerals which may be found underground." After setting forth that the Ethiopian government itself intends to exploit all the Ethiopian territory, a further clause declares that Achille Beyard et Fils are to put themselves in place of the Ethiopian government.

The subsequent clauses provided:-(1) that the concessionaries shall not be charged for customs duty;

(2) They may associate foreign capital with their own but may not contract with any other government.

(3). If minerals are found, they are to pay to the owners of the land an annual rent based on the value of the surface.

(4). With the exception of gold and silver the concessionaries are to pay a tariff of 5% ad valorem on all minerals but on gold or silver they are to pay 12 or 20% either gross or net and with the exception of certain other fees, which are prescribed and of no great importance, these are the only charges upon them;

(5). When they have discovered minerals nobody may prospect or work within twenty kilometres of such discoveries;

(6). The concessionaries are to form a company which will be known as "La Compagnie Imperiale des Mines

d'Ethiopie."

(7). If the Ethiopian government should grant to any society more favorable terms than those granted by the present contract, the company of Achille Bayard et Fils will benefit equally.

No. February 11, 1921.

Harry M. Lakin, Esquire,
American Consul,
Aden, Arabia.

Sir:

There are herewith transmitted copies of despatches from the American Consul General at London dated January 5, 7, and 20, together with a paraphrase of a telegram dated January 20, all with reference to the petroleum concession in Abyssinia recently obtained by the Anglo-American Oil Company, Limited.

It is believed that these communications may contain some information which is not available to you in the files of the Consulate. As you will note, Consul General Skinner, in his despatch of January 20, expresses the opinion that in Consul Southard's despatch of November 11, 1920, there were certain inaccuracies in matters of detail.

As you will readily perceive, this correspondence, for the most part, is to be regarded as strictly confidential.

It is assumed that you have already made a careful examination of all of the documents relative to this subject which are available to you and that in accordance with the Department's previous instructions to your Consulate you will endeavor to obtain as much information as possible regarding this matter and report such information promptly to the

893.48/3
&
5

the Department.

As you have no doubt observed in examining this correspondence, the Consul General at London has taken great interest in this question and has contributed valuable suggestions regarding it. It is accordingly suggested that you transmit to him copies of any of your reports on the subject which you believe would be of interest and value to him in this connection.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

Enclosures:

From London, England, January 5, 7 and 20, 1921. Paraphrase of telegram, January 20, 1921.

8846363/25

TA-PRF-H 6-58

DEPARTMENT OF STATE.
MAY 23 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

23261

LONDON, January 24, 1921.

No.4115.

Office of Foreign Trade Advi...
FEB 12 19...
DEPARTMENT OF ST...

Acknowledge and file with enclosure.
Gwin.

FEB 18 192...

8846363

The Honorable

The Secretary of State,

Washington.

JUL 16 1921 F...

Sir:-

890.63/2a

Referring to the Department's telegram No.657 of June 21, 1920, 4 p.m., and to the Embassy's telegraphic reply No.985 of June 25, 1920, 12 noon, concerning oil exploitation in ~~Mesopotamia~~ Abyssinia, I have the honor to enclose a memorandum regarding the salient features of an arrangement alleged to have been entered into between a French firm and the Abyssinian Government, with which I have been furnished through the

DEPT. OF STATE
FEB 18
ACKNOWLEDGED

the courtesy of the representative of the Anglo-American Oil Company in London.

As of interest in this connection, I also enclose an excerpt from the London DAILY TELEGRAPH of January 12, 1921, which constitutes a reply by a diplomatic correspondent of that journal to the criticism which has been directed against British policy in Abyssinia by the French and British press. The tripartite Agreement of 1906, between Italy, France and Great Britain, is one with which the Department is already familiar, but, for the sake of ready reference, I venture to enclose an extra copy of that Agreement.

I have the honor to be,

Sir,

Your obedient servant,

John W. Davis

Enclosures:-

Memorandum, as stated.

Clipping from the DAILY TELEGRAPH of January 12, 1921.

Agreement between the UNITED KINGDOM, FRANCE, and ITALY, respecting ABYSSINIA, signed at London, December 13, 1906.

COPY
E. R.

Messrs. Achille Bayart & Sons, French subjects, are granted a concession authorising them to form a Company to prospect for and exploit, on behalf of and in the place of the Ethiopian Government, all minerals in Ethiopian territory, and, for the purposes of this concession, are permitted to do "all that which is necessary" to carry out same.

Certain tariffs to be paid on all minerals extracted,- 5 - 30%.

The Ethiopian Government has the right to furnish part of the capital of the Company and Ehtiopians may subscribe half or quarter of the Capital.

Where minerals are found in territory already belonging to a private person an annual rent mutually arranged must be paid on the value of the surface.

The Government promises to do everything in its power to facilitate the work of the Company and will provide police for its protection but do not undertake responsibility in the matter.

The Concession is valid for 75 years; after that time the Government has the right to keep all buildings, equipment, etc. on payment of a sum agreed by arbitration, or failing this the contract will be renewed and the Company authorised to continue its exploitation.

If the Government should grant to another Society more favorable conditions than those herein granted Messrs. Bayart will benefit equally.

The Company to be subject to Ethiopian Law.

This Concession must not be sold to foreign persons or foreign Government nor for any reason may it be given as security, under penalty of the annulment of the contract.

Under the signature and seal of the Ras Taffari Makonnen, May 9th, 1919.

PAPER: DAILY TELEGRAPH, January 12, 1921.

CITY:

SUBJECT:

SUMMARY:

BRITAIN AND ABYSSINIA.

A REPLY TO CRITICISM.

FROM A DIPLOMATIC CORRESPONDENT.

In recent weeks a certain amount of public attention has been directed to Abyssinia by articles in the British and French Press. In these it has been suggested that British policy in Abyssinia has undergone a change during the past months, the insinuations being accompanied by definite charges of British intrigue. For the most part these accusations are of such a fantastic character that they may be disregarded. But it may be worth while, in view of the public interest in the matter which has been expressed, to deal generally with the question of Great Britain's policy towards Abyssinia.

The kingdom of Abyssinia is not a strongly-organised, unified national State. It is, on the contrary, of mixed nationality, including many rather wild and undisciplined tribes, and its continued existence and orderly development is unthinkable without at least the moral support of European Powers. Of these, the three most interested are Great Britain, France, and Italy. The aim of Great Britain is to-day what it has always been, namely, to assist in maintaining the stability of the country and to secure the open door. Such intervention as there has been has been directed towards these objects. We may, for example, take the case of British action in regard to the duties levied at Jibouti, which has led to exaggerated comment in certain French Press circles. The facts are these. Jibouti is the port through which nearly all traffic for Abyssinia passes at present. By the Treaty of 1906 between Italy, France, and Great Britain, it is provided that goods shall not be subject to any fiscal transit duty levied for the benefit of the French colony or Treasury. By the same Treaty absolute equality of treatment in the port of Jibouti or on the railway is guaranteed. But from time to time cases have occurred, due possibly to the errors of local officials, in which the provisions of the Treaty have not been strictly carried out, with serious results to trade with Abyssinia. When this has happened the British Government has been bound to protest in the interests of its nationals.

Other complaints can be shown to have equally small foundation. It has been widely suggested, for example, that as part of a great British plan of expansion and commercial penetration numerous officers, specially selected, have been sent to Abyssinia during the past year; secondly, that it was the British Government which established the ambitious Abyssinian Corporation with a view to commercial and political propaganda. As regards the first suggestion, all that there is to say is that it was inevitable that, after the Armistice, ex-officers should form the great majority of the representatives sent by British trading firms and financial organisations to Abyssinia or elsewhere. But that there has been any official despatch of officers is quite untrue.

A similar complete denial may be made to the charge concerning the Abyssinian Corporation. To anyone who read the report of the shareholders' meeting and the chairman's speech in leading London financial papers of Dec. 3, the whole matter will be perfectly plain, but it may be as well to summarise the facts. The Abyssinian Corporation was formed in the ordinary way to develop trade between this country and Abyssinia. On its incorporation British Foreign Office approval was given, together with a promise of assistance, such as would, of course, have been given to any reputable firm trading in rather difficult country. The corporation, nevertheless, met with misfortune. It accumulated stocks of certain commodities in which the markets were falling, and the situation revealed by the chairman's speech to the shareholders was anything but a favourable one. However this may be, nothing can alter the fact that the British Government did not establish the Abyssinian Corporation, and all the arguments built up on this supposition fall absolutely to the ground.

The remaining accusations concerning British policy towards Abyssinia are of a military nature. But all can be shown to be as baseless as those which have preceded. A great deal has been said lately, too, about Abyssinian arms traffic. The exact position in this respect is easily stated. Experience has shown that laxity in control of the arms traffic is invariably followed by frontier raids, and Great Britain's policy is, in agreement with France and Italy—a parenthesis which must be emphasised—to keep traffic in arms within the limits consistent with the maintenance of the country's stability and with the general peace. To discern in such policy any intention of undermining French influence in Abyssinia is very wide of the mark. In this respect, therefore, as in all others, suggestions of sinister intrigue on the part of the British in Abyssinia prove on examination to be mares' nests. British policy to-day in Abyssinia remains what it has always been, one of loyal friendliness to the Abyssinian people, its leading principle a desire to ensure by all means in its power the independence and prosperity of the country.

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1907.

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AMERICAN CONSULATE GENERAL
18, CAVENDISH SQUARE
LONDON, W. 1.

AGREEMENT

BETWEEN

THE UNITED KINGDOM, FRANCE, AND ITALY

RESPECTING

ABYSSINIA.

Signed at London, December 13, 1906.

811.4343/24

Presented to both Houses of Parliament by Command of His Majesty.
January 1907.

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AGREEMENT BETWEEN THE UNITED KINGDOM, FRANCE, AND ITALY, RESPECTING ABYSSINIA.

Signed at London, December 13, 1906.

L'INTÉRÊT commun de la France, de la Grande-Bretagne, et de l'Italie étant de maintenir intacte l'intégrité de l'Éthiopie, de prévenir toute espèce de trouble dans les conditions politiques de l'Empire Éthiopien, d'arriver à une entente commune en ce qui concerne leur conduite en cas d'un changement de situation qui pourrait se produire en Éthiopie, et de pourvoir à ce que, de l'action des trois États, en protégeant leurs intérêts respectifs, tant dans les possessions Britanniques, Françaises, et Italiennes avoisinant l'Éthiopie qu'en Éthiopie même, il ne résulte pas de dommages préjudiciables aux intérêts de l'une quelconque des trois Puissances, la France, la Grande-Bretagne, et l'Italie donnent leur agrément à l'Arrangement suivant :—

Article 1er. La France, la Grande-Bretagne, et l'Italie sont d'accord pour maintenir le *statu quo* politique et territorial en Éthiopie tel qu'il est déterminé par l'état des affaires actuellement existant et les Arrangements suivants :

(*a.*) Les Protocoles Anglo-Italiens des 24 Mars et 15 Avril, 1891, et du 5 Mai, 1894, et les Arrangements subséquents qui les ont modifiés, y compris les réserves formulées par le Gouvernement Français à ce sujet en 1894 et 1895 ;

(*b.*) La Convention Anglo-Éthiopienne du 14 Mai, 1897, et ses annexes ;

(*c.*) Le Traité Italo-Éthiopien du 10 Juillet, 1900 ;

(*d.*) Le Traité Anglo-Éthiopien du 15 Mai, 1902 ;

(*e.*) La note annexée au Traité précité du 15 Mai, 1902 ;

(*f.*) La Convention du 11 Mars, 1862, entre la France et les Dannakils ;

(*g.*) L'Arrangement Franco-Anglais des 2–9 Février, 1888 ;

(*h.*) Les Protocoles Franco-Italiens du 24 Janvier, 1900, et du 10 Juillet, 1901, pour la délimitation des possessions Italiennes et Françaises dans le littoral de la Mer Rouge et le Golfe d'Aden ;

(*j.*) La Convention Franco-Éthiopienne pour les frontières du 20 Mars, 1897.

Il est entendu que les diverses Conventions mentionnées dans le présent Article ne portent aucune atteinte aux droits souverains de l'Empereur d'Abyssinie et ne modifient en rien les rapports entre les trois Puissances et l'Empire Éthiopien tels qu'ils sont stipulés dans le présent Arrangement.

Art. 2. Pour les demandes de concessions agricoles, commerciales, et industrielles en Éthiopie, les trois Puissances donneront pour instructions à leurs Représentants d'agir de telle sorte que les concessions qui seront accordées dans l'intérêt d'un des trois États ne nuisent pas aux intérêts des deux autres.

Art. 3. Si des compétitions ou des changements intérieurs se produisaient en Éthiopie, les Représentants de la France, de la Grande-Bretagne, et de l'Italie observeraient une attitude de neutralité, s'abstenant de toute intervention dans les affaires du pays et se bornant à exercer telle action qui serait, d'un commun accord, considérée comme nécessaire pour la protection des Légations, des vies et des propriétés des étrangers, et des intérêts communs des trois Puissances.

En tous cas, aucun des trois Gouvernements n'interviendrait d'une manière et dans une mesure quelconques qu'après entente avec les deux autres.

Art. 4. Dans le cas où les événements viendraient à troubler le *statu quo* prévu par l'Article 1er, la France, la Grande-Bretagne, et l'Italie feront tous leurs efforts pour maintenir l'intégrité de l'Éthiopie. En tous cas, se basant sur les Accords énumérés au dit Article, elles se concerteraient pour sauvegarder :

(*a.*) Les intérêts de la Grande-Bretagne et de l'Egypte dans le bassin du Nil, et plus spécialement en ce qui concerne la réglementation des eaux de ce fleuve et de ses affluents (la considération qui leur est due étant donnée aux intérêts locaux), sous réserve des intérêts Italiens mentionnés au paragraphe (*b*);

(*b.*) Les intérêts de l'Italie en Éthiopie par rapport à l'Érythrée et au Somaliland (y compris le Benadir), et plus spécialement en ce qui concerne l'hinterland de ses possessions et l'union territoriale entre elles à l'ouest d'Addis Abeba ;

(*c.*) Et les intérêts Français en Éthiopie par rapport au Protectorat Français de la Côte des Somalis à l'hinterland de ce Protectorat et à la zone nécessaire pour la construction et le trafic du Chemin de Fer de Djibouti à Addis Abeba.

Art. 5. Le Gouvernement Français communique aux Gouvernements Britannique et Italien :

1. L'acte de concession du Chemin de Fer Franco-Éthiopien du 9 Mars, 1894 ;

2. Une communication de l'Empereur Ménélik en date du 8 Août, 1904, dont la traduction est annexée au présent Accord, et qui invite la Compagnie concessionnaire à construire le second tronçon de Diré Daoua à Addis Abeba.

Art. 6. Les trois Gouvernements sont d'accord pour que le Chemin de Fer de Djibouti soit prolongé de Diré Daoua à Addis Abeba, avec embranchement éventuel vers Harrar, soit par la Compagnie du Chemin de Fer Éthiopien en vertu des Actes énumérés à l'Article précédent, soit par toute autre Compagnie privée Française qui lui serait substituée avec l'agrément du

Gouvernement Français, à la condition que les nationaux des trois pays jouiront pour les questions de commerce et de transit d'un traitement absolument égal à la fois sur le chemin de fer et dans le port de Djibouti. Les marchandises ne seront passibles d'aucun droit fiscal de transit au profit de la Colonie ou du Trésor Français.

Art. 7. Le Gouvernement Français prêtera son concours pour qu'un Anglais, un Italien, et un Représentant de l'Empereur d'Abyssinie fassent partie du Conseil d'Administration de la ou des Compagnies Françaises qui seront chargées de l'exécution et de l'exploitation du Chemin de Fer de Djibouti à Addis Abeba. Il est stipulé par réciprocité que les Gouvernements Anglais et Italien prêteront leurs concours pour qu'un poste d'Administrateur soit également assuré dans les mêmes conditions à un Français, dans toute Société Anglaise ou Italienne qui aurait été formée ou se formerait pour la construction ou l'exploitation de chemins de fer allant d'un point quelconque en Abyssinie à un point quelconque des territoires voisins Anglais ou Italiens. De même, il est entendu que les nationaux des trois pays jouiront pour les questions de commerce et de transit d'un traitement absolument égal à la fois sur les chemins de fer qui seraient construits par des Sociétés Anglaises ou Italiennes et dans les ports Anglais ou Italiens d'où partiraient ces chemins de fer. Les marchandises ne seront passibles d'aucun droit fiscal de transit au profit des Colonies ou des Trésors Anglais et Italien.

Les trois Puissances Signataires sont d'accord pour étendre aux nationaux de tous les autres pays le bénéfice des dispositions des Articles 6 et 7 relatives à l'égalité de traitement en matière de commerce et de transit.

Art. 8. Le Gouvernement Français s'abstiendra de toute intervention en ce qui concerne la concession précédemment accordée au delà d'Addis Abeba.

Art. 9. Les trois Gouvernements sont d'accord pour que toute construction de chemin de fer en Abyssinie à l'ouest d'Addis Abeba soit, dans la mesure où un concours étranger est nécessaire, exécutée sous les auspices de l'Angleterre. De même, les trois Gouvernements sont d'accord pour que toute construction de chemin de fer en Éthiopie reliant le Benadir à l'Érythrée à l'ouest d'Addis Abeba soit, dans la mesure où un concours étranger est nécessaire, exécutée sous les auspices de l'Italie. Le Gouvernement Britannique se réserve le droit de se servir, le cas échéant, de l'autorisation accordée par l'Empereur Ménélik à la date du 28 Août, 1904, de construire un chemin de fer du Somaliland Britannique à travers l'Éthiopie jusqu'à la frontière Soudanaise, à la condition, toutefois, de s'entendre au préalable avec les Gouvernements Français et Italien, les trois Gouvernements s'interdisant de construire sans entente préalable aucune ligne pénétrant en territoire Abyssin ou devant se raccorder aux lignes Abyssines, et de nature à faire concurrence directe à celles qui seront établies sous les auspices de l'une d'elles.

Art. 10. Les Représentants des trois Puissances se tiendront

réciproquement complètement informés et coopéreront pour la protection de leurs intérêts respectifs. Dans le cas où les Représentants Anglais, Français, et Italiens ne pourraient pas se mettre d'accord, ils en référeraient à leurs Gouvernements respectifs et suspendraient en attendant toute action.

Art. 11. En dehors des Arrangements énumérés à l'Article 1er et à l'Article 5 de la présente Convention, aucun Accord conclu par l'une quelconque des Puissances Contractantes en ce qui concerne la région Éthiopienne ne sera opposable aux autres Puissances Signataires du présent Arrangement.

Fait à Londres, le 13 Décembre, 1906.

(L.S.) E. GREY.
(L.S.) PAUL CAMBON.
(L.S.) A. DE SAN GIULIANO.

Annexe.

Traduction de la Lettre Impériale du 8 Août, 1904, autorisant la Compagnie du Chemin de Fer à entreprendre la Construction de la Ligne de Diré Daoua à Addis Abeba.

LION, vainqueur de la tribu de Judas, Ménélik II, élu du Seigneur, Roi des Rois d'Éthiopie, à M. le Ministre Plénipotentiaire du Gouvernement Français à Addis Abeba,

Salut !

Afin que la Compagnie du Chemin de Fer ne perde pas de temps inutilement, je vous informe qu'il est de ma volonté qu'elle entreprenne vite les travaux de la ligne de Diré Daoua à Addis Abeba. Seulement pour les contrats, nous nous entendrons dans la suite avec la Compagnie du Chemin de Fer.

Écrit le 2 Naassé de l'an de grâce 1896 (ère Abyssine), en la ville d'Addis Abeba (le 8 Août, 1904).

DECLARATION signed at London, December 13, 1906.

LE Ministre des Affaires Étrangères d'Italie fait observer que l'Italie a des Traités avec le Sultan de Lugh, le Sultan de Raheita, et les Dannakils regardant des questions de frontière. Ces Traités devant faire l'objet d'une négociation avec le Gouvernement Éthiopien, il est impossible de les comprendre dans l'énumération de l'Article 1er, mais le Gouvernement Italien se réserve de les communiquer à l'Angleterre et à la France après l'issue des négociations.

Le Ministre des Affaires Étrangères d'Angleterre et l'Ambassadeur de France donnent acte au Ministre des Affaires Étrangères d'Italie de cette déclaration.

Londres, le 13 *Décembre,* 1906.

(Signé) E. GREY.
(Signé) PAUL CAMBON.
(Signé) A. DE SAN GIULIANO.

(Translation.)

It being the common interest of France, Great Britain, and Italy to maintain intact the integrity of Ethiopia, to provide for every kind of disturbance in the political conditions of the Ethiopian Empire, to come to a mutual understanding in regard to their attitude in the event of any change in the situation arising in Ethiopia, and to prevent the action of the three States in protecting their respective interests, both in the British, French, and Italian possessions bordering on Ethiopia and in Ethiopia itself, resulting in injury to the interests of any of them, the Government of the French Republic, the Government of his Britannic Majesty, and the Government of Italy have assented to the following Agreement:—

Article 1. France, Great Britain, and Italy shall co-operate in maintaining the political and territorial *status quo* in Ethiopia as determined by the state of affairs at present existing, and by the following Agreements:

(*a.*) The Anglo-Italian Protocols of the 24th March and 15th April, 1891, and of 5th May, 1894, and the subsequent Agreements modifying them, including the reserves formulated by the French Government in 1894 and 1895;

(*b.*) The Anglo-Ethiopian Convention of 14th May, 1897, and its annexes;

(*c.*) The Italo-Ethiopian Treaty of 10th July, 1900;

(*d.*) The Anglo-Ethiopian Treaty of 15th May, 1902;

(*e.*) The note annexed to the above-mentioned Treaty of 15th May, 1902;

(*f.*) The Convention of 11th March, 1862, between France and the Dannakils;

(*g.*) The Anglo-French Agreement of 2nd–9th February, 1888;

(*h.*) The Franco-Italian Protocols of 24th January, 1900, and 10th July, 1901, for the delimitation of the French and Italian possessions on the littoral of the Red Sea and the Gulf of Aden;

(*j.*) The Franco-Ethiopian Frontier Convention of 20th March, 1897.

It is understood that the various Conventions mentioned in this Article do not in any way infringe the sovereign rights of the Emperor of Abyssinia, and in no respect modify the relations between the three Powers and the Ethiopian Empire as stipulated in the present Agreement.

Art. 2. As regards demands for agricultural, commercial, and industrial concessions in Ethiopia, the three Powers undertake to instruct their Representatives to act in such a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others.

Art. 3. In the event of rivalries or internal changes in Ethiopia, the Representatives of France, Great Britain, and Italy shall observe a neutral attitude, abstaining from all intervention in the internal affairs of the country, and confining themselves to such action as may be, by common consent, considered necessary for the protection of the Legations, of the lives and property of foreigners, and of the common interests of the three Powers. In no case shall one of the three Governments interfere in any manner whatsoever, except in agreement with the other two.

Art. 4. In the event of the *status quo* laid down in Article 1 being disturbed, France, Great Britain, and Italy shall make every effort to preserve the integrity of Ethiopia. In any case, they shall concert together, on the basis of the Agreements enumerated in the above-mentioned Article, in order to safeguard :

(*a.*) The interests of Great Britain and Egypt in the Nile Basin, more especially as regards the regulation of the waters of that river and its tributaries (due consideration being paid to local interests), without prejudice to Italian interests mentioned in paragraph (*b*) ;

(*b.*) The interests of Italy in Ethiopia as regards Erythræa and Somaliland (including the Benadir), more especially with reference to the hinterland of her possessions and the territorial connection between them to the west of Adis Abeba ;

(*c.*) The interests of France in Ethiopia as regards the French Protectorate on the Somali Coast, the hinterland of this Protectorate and the zone necessary for the construction and working of the railway from Jibuti to Adis Abeba.

Art. 5. The French Government communicates to the British and Italian Governments :

(1.) The Concession of the Franco-Ethiopian Railway of 9th March, 1894 ;

(2.) A communication from the Emperor Menelek dated 8th August, 1904, the translation of which is annexed to the present Agreement, inviting the Company to whom the above Concession was granted to construct the second section of the line from Diré Dawa to Adis Abeba ;

Art. 6. The three Governments agree that the Jibuti Railway shall be prolonged from Diré Dawa to Adis Abeba, with a branch line to Harrar eventually, either by the Ethiopian Railway Company in virtue of the deeds enumerated in the preceding Article, or by any other private French Company which may be substituted therefor, with the consent of the French Government, on condition that the nationals of the three countries shall enjoy in all matters of trade and transit absolute equality of treatment on the railway

and in the port of Jibuti. Goods shall not be subject to any fiscal transit duty levied for the benefit of the French Colony or Treasury.

Art. 7. The French Government will endeavour to arrange that an English, an Italian, and an Abyssinian Representative shall be appointed to the Board of the French Company or Companies which may be intrusted with the construction and working of the railway from Jibuti to Adis Abeba. The British and Italian Governments will reciprocally endeavour to arrange that a French Director shall in like manner and on the same conditions be appointed to the Board of any English or Italian Company which has been or may be formed for the construction or working of railways running from any point in Abyssinia to any point in the adjoining English or Italian territory. It is likewise agreed that the nationals of the three countries shall enjoy in all matters of trade and transit absolute equality of treatment, both on the railways which may be constructed by English or Italian Companies, and in the English or Italian ports from which these railways may start. Goods shall not be subject to any fiscal transit duty levied for the benefit of the British or Italian Colonies or Treasuries.

The three Signatory Powers agree to extend to the nationals of all other countries the benefit of the provisions of Articles 6 and 7 relating to equality of treatment as regards trade and transit.

Art. 8. The French Government will abstain from all interference as regards the Concession previously granted beyond Adis Abeba.

Art. 9. The three Governments are agreed that all railway construction in Abyssinia west of Adis Abeba shall, in so far as foreign assistance is required, be carried out under the auspices of Great Britain. The three Governments are also agreed that all construction of railways in Ethiopia, joining the Benadir to Erythræa to the west of Adis Abeba, shall, in so far as foreign assistance is required, be carried out under the auspices of Italy.

The Government of His Britannic Majesty reserve to themselves the right, in case of need, to make use of the authorization, granted by the Emperor Menelek on the 28th August, 1904, to construct a railway from British Somaliland through Ethiopia to the Soudanese frontier, on condition, however, that they previously come to an agreement with the French and Italian Governments, the three Governments undertaking not to construct without previous agreement any line entering Abyssinian territory or intended to join the Abyssinian lines, which would compete directly with those established under the auspices of any one of them.

Art. 10. The Representatives of the three Powers will keep each other fully informed, and will co-operate for the protection of their respective interests. In the event of the British, French, and Italian Representatives being unable to agree, they will refer to their respective Governments, suspending all action meanwhile.

Art. 11. Beyond the Agreements enumerated in Articles 1 and 5

of the present Convention, no Agreement concluded by any one of the Contracting Powers concerning Ethiopia shall affect the other Signatory Powers of the present Agreement.

Done at London, December 13, 1906.

(Signed) E. GREY.
(Signed) PAUL CAMBON.
(Signed) A. DE SAN GIULIANO.

Annex.

Translation of the Imperial Letter of August 8, 1904, *authorizing the Railway Company to undertake the Construction of the Line from Diré Daoua to Adis Abeba.*

THE Lion, conqueror of the tribe of Judah, Menelek II, elect of the Lord, King of Kings of Ethiopia, to the French Minister Plenipotentiary at Adis Abeba,

Greeting!

In order that the Railway Company may lose no time unnecessarily, I inform you that it is my will that it forthwith commence work on the line from Diré Daoua to Adis Abeba.

As regards the terms of the contract, however, we shall come to an arrangement later with the Railway Company.

Written the 2nd Naassé, in the year of grace 1896 (Abyssinian style), in the city of Adis Abeba (the 8th August, 1904).

DECLARATION signed at London, December 13, 1906.

THE Italian Minister for Foreign Affairs states that Italy has Treaties with the Sultan of Lugh, the Sultan of Raheita, and the Dannakils respecting frontier questions. Inasmuch as these Treaties must form the subject of negotiations with the Abyssinian Government, it is not possible to include them in the list contained in Article 1, but the Italian Government reserves to itself the right to communicate them to Great Britain and France after the termination of the negotiations.

His Majesty's Secretary of State for Foreign Affairs and the French Ambassador take note of the declaration made by the Italian Minister for Foreign Affairs.

London, December 13, 1906.

(Signed) E. GREY.
(Signed) PAUL CAMBON.
(Signed) A. DE SAN GIULIANO.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$

TELEGRAM SENT.

Department of State

Washington,

March 28, 1921.

AMEMBASSY,

London.

176 Urgent

Department's 657 June twenty-first, 1920.

Your 4115 January twenty-fourth, 1921,

British Ambassador at Washington states that in Abyssinia "a British subject, acting on behalf of an Anglo-American oil company, has asked for the support of His Majesty's Government in maintaining the rights obtained by a concession", and implies that the British Government would possibly act in cooperation with this Government in Abyssinia on condition that similar cooperation takes place in Costa Rica with respect to the British controlled Amory concession.

Ascertain discreetly whether the Anglo-American Oil Company has requested or authorized a request for the support of the British Government and whether the company is disposed to continue operations in Abyssinia. Telegraph facts with your suggestions regarding action by this Government

884.6363/26

Enciphered by .....

Sent by operator ..... *M.*, , *19*..., ...

Index Bu.—No. 50. 1—138

FRF:ETE
TA

WILLIAM A. ADEE

FEB 21 1921

A true copy of signed original.

REPARING OFFICE
L INDICATE WHETHER
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Charge Department
OR
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TELEGRAM SENT.

Department of State

Washington,

WWC Government, relative to British proposal. ~~Make~~ Ascertain, ~~clear the~~ present status of the Abyssinian concession question, and transmit any further information procurable, regarding Foreign Office influence over Abyssinian Corporation. Please consult Consul General and refer to his various despatches.

Hughes.

aem
ACM/RBD-SS

WWC TA

WE WRC

A. ADEE.
MAR 8 1921

Enciphered by EJC

*Sent by operator*_____ *M.,* *, 19*__

Index Bu.—No. 50.

1—138

FRF:ETE
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ALVEY A. ADEE
FEB 21 1921

A true copy of the signed original.

No.

February 19, 1921.

Addison E. Southard, Esquire,

American Consul,

Aden, Arabia.

Sir:

Reference is made to previous correspondence regarding the concession recently obtained in Abyssinia by the Anglo-American Oil Company.

There is herewith transmitted a report from the American Consul General at London, dated January 21, 1921, in which some additional information is given regarding the British policy towards Abyssinia.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

884.63/24

Enclosures:

Report of Consul General, London, January 21, 1921.
Clipping from Daily Telegraph (London), January 21, 1921.

FRF:ETE
aem
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ALVEY A. ADEE

FEB 21 1921

A true copy of the signed original.

INDEX BUREAU
E Rec'd
MAR 2 1921
Dept. of State.

24576

T Agleb

No. 10819.

AMERICAN CONSULATE GENERAL,

London, England.

February 10th, 1921.

SUBJECT: AMERICAN PETROLEUM CONCESSION IN ABYSSINIA.

884.6363/19 Strictly

(13) Instruc. to Aden, encl. copy, 3/14/21

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Office of Foreign Trade Advisor
MAR 5 1921
DEPARTMENT OF STATE

SIR:

I have the honor to refer to the Department's Instruction of January 11th, 1921, relative to the petroleum concession recently granted to the Anglo-American Oil Company in Abyssinia.

INDEX BUREAU
884.6363/21
MAR 12 1921

The Department states that it is generally understood that the Anglo-American Oil Company Limited is controlled by the Standard Oil Company of New Jersey but that "representatives of the Anglo-American Oil Company deny that such connection exists between the two companies"; it is therefore deemed important that specific information be obtained on the ownership of this concern.

MAY 23 1921

I immediately consulted the Anglo-American Oil Company Limited setting forth my understanding of the situation as follows:-

"The Anglo-American Oil Company Limited is a British company of which 80 per cent is owned by Mr.John D.Rockefeller and not by the Standard Oil Company of New Jersey. Of course, it must be fairly obvious that if Mr.Rockefeller owns 80 per cent of the stock the Standard Oil Company of New Jersey must be interested in the enterprise, although perhaps not in an official sense.

DEPT. OF STATE
MAR 12 1921
ACKNOWLEDGED

"My understanding is, that aside from a very limited stock ownership, no British interest is involved in this Company. I further understand as respects the Abyssinian enterprise that the Anglo-American Oil Company Limited is fathering the matter at the moment because it came up very quickly and there was no time to proceed otherwise but it is the ultimate expectation to transfer the Abyssinian propesition to one of the strictly American companies, not necessarily the Standard Oil Company of New Jersey."

I likewise took the opinion of the Company here upon the advisability of supporting in Abyssinia a British application for ratification of the pending agreement.

I enclose herewith a reply from the Company which I asked for in writing in orderthat there might be no doubts whatever upon the question. It will be observed that the Anglo-American Oil Company Limited is undoubtedly part and parcel of our American oil interests - commonly known as the Standard Oil Company, and that as to political action my informants desire to reserve their opinions until the members of the expedition, who are due the latter part of this month, return to London.

I have the honor to be, Sir,

Your obedient servant,

American Consul General.

863/RPS/MJ.

Enclosure: Copy of letter as above.

COPY ONLY.

ANGLO AMERICAN OIL COMPANY LIMITED
36, Queen Anne's Gate,
Westminster, London, S.W.1.

February 8.1921.

Robert P.Skinner, Esquire,
American Consul General,
18 Cavendish Square, W.1.

Dear Mr.Skinner:

I am in receipt of your favor of the 4th instant. addressed to Mr.Powell on the subject of the Abyssinian Expedition and the question whether American interests preponderate in the control.

You have very clearly outlined the relations between this Company and the New Jersey Company, namely that the Anglo-American Oil Company Limited, is a British Company of which fully 80% of the stock is owned by Mr.Rockefeller personally or by his associates, who have a somewhat similar controlling interest in the Stand/Oil Company, New Jersey. /ard The control of the Company is as you know vested in the Shareholders and the little British interests, comparatively speaking, in the Company have no effect upon the control. From the foregoing you will see that British interests hold no direct or indirect influence over the affairs of this company nor are they likely to do so.

The Abyssinian enterprise was undertaken by the Anglo-American Oil Co. because it would not have been possible to have made other arrangements in time and ultimately we may probably decide to transfer it to one of our strictly American Companies. Therefore I can assure your Department that in supporting this Expedition, no claim can arise that it is supporting a non-American proposition. Moreover we might mention for your guidance that the British Government and the authorities here treat us as a purely American interest.

No doubt the official who referred to the Anglo American Oil Company's relations with other companies did so in sheer ignorance, not being possessed of the knowledge concerning shareholders' control and influence.

With regard to the latter part of your letter, the question of co-operation between French interests and ourselves has been discussed but we can do nothing whatever in this direction until the return of the members of the Expedition who are due the latter part of this month. Immediately I have full information as to how matters stand I will advise you further.

Yours sincerely,
(signed) James Hamilton.
Director.

No. March 14, 1921.

Harry M. Lakin, Esquire,
American Consul,
Aden, Arabia.

Sir:

Reference is made to previous correspondence regarding the concession recently obtained by the Anglo-American Oil Company, Limited, in Abyssinia.

For your information there is herewith transmitted a copy of a despatch from the American Consul General at London, dated February 10, 1921, which contains important information with reference to this question.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

884.6363/27

Enclosure:

Copy of despatch No. 10819,
dated February 10, 1921,
from the American Consul
General at London.

A true copy
the signal.

884.6363/27

FRF:MHM
TA

24559

No. 435.

AMERICAN CONSULATE.

Aden, Arabia, January 18, 1921.

SUBJECT: Exploitation of Abyssinian Concession by the Anglo-American Oil Company, Limited.

~~CONFIDENTIAL.~~

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to refer to this Consulate's despatch No. 431 of December 15, 1920, and to previous despatches on the above subject, and to submit the following information relative to new developments in the matter of the agreement between the Anglo-American Oil Company, Limited, and the Abyssinian Corporation, Limited, on the division of the oil rights in the Abyssinian province of Harrar.

This Consulate has just learned from a quite reliable source that the Abyssinian Corporation has "sold back" to the Abyssinian government its mineral concession for the eastern half of Harrar province.

No details have been received. As outlined in this Consulate's despatch No. 431 the new manager of the Abyssinian Corporation disapproved of the division agreement entered into with the Anglo-American company by his predecessor. He has already attempted to bluff the Anglo-American representatives into revising the agreement. He failed in this and the information that he has turned back his concession to the Abyssinian government indicates that he has decided upon another means of securing revision

or

or avoidance of the agreement. Turning back his concession automatically avoids the agreement and it is the belief, based upon this Consulate's general knowledge of the situation, that this action has been taken with the idea of having the concession reissued to some individual or dummy company representing the Corporation's interests. The way will thus be clear for forcing the American interests to negotiate a new agreement for the division of the province which the Abyssinian Corporation hopes to make more favorable to its own purposes than was the original agreement.

This Consulate cannot reasonably believe that the Abyssinian Corporation would unconditionally yield its concession rights in the eastern half of Harrar province. It has not only considerable material interests in the concession but is also strongly presumed to represent certain British governmental or political interests which definitely aim at British control of any possible oil-fields developed in Abyssinia. At the present time representatives of the Anglo-Persian Oil Company (which company is controlled by the British government) are prospecting oil possibilities in British Somaliland, and there is strong reason to believe that this latter enterprise originally calculated to join up with the Abyssinian Corporation in the eastern Harrar territory which adjoins the Somaliland frontier.

Dr. Barnum Brown, the Anglo-American Company's expert geologist now in Abyssinia, expressed to the undersigned the opinion that the Somaliland oil indications were merely seepages from a larger deposit which probably lies over the Somaliland frontier in eastern Harrar province, Abyssinia. Assuming that the British interests have

arrived

arrived at the same theory it is evident that the control of eastern Harrar will not be relinquished so easily as would be indicated by the bare announcement that the Abyssinian Corporation had"sold back" its concession to the Abyssinian government. This Consulate is reasonably certain that the Abyssinian government would not buy back the concession with its own funds, and if it has actually paid any money to the Corporation, which is doubted, the money has been supplied by other British interests, possibly by the Anglo-Persian Oil Company. It is a significant fact that Ras Tafari, actual ruler of Abyssinia, has recently been elected a Director of the Abyssinian Corporation and it is rumored that he has been handsomely paid for accepting the election.

The Anglo-American Company is working under a concession for the western half of Harrar province held by H. M. Baghdassarian, and can by insisting upon a geographical division of the province obtain the territory it considers most promising. It is possible that the British interests now hope, by bribery or similar methods, to qualify or distort this geographical division in their own favor when arranging for the new agreement which must be made if their own concession is reissued. At any rate this new development, which savors of chicanery, will very likely involve further fighting for certain rights of the American company. This Consulate was successful in establishing the concession carrying the present rights of the American company, and when the division agreement with the British interests was arrived at it seemed that the matter was reasonably near a sound settlement. The British commercial and political interests in Abyssinia reluctantly but definitely agreed

to

to the arrangement when the undersigned was in Adis Abeba and this seemed sufficient in view of the general British reputation for fair-play and sportsmanship in business as well as in other matters. It was, of course, considered by this Consulate that the matter could again be upset by chicanery and intrigue but it was not believed that such methods would be brought into play; and they probably would not have been but for the appointment of a new manager (a novice in business) for the Corporation and the employment, as its adviser, of a Greek, now a British subject and an attache of the British Legation at Adis Abeba, who is a Levantine of the Levantines in his methods and who has strong influence with Ras Tafari.

It is not intended to convey the impression that the principal American rights are yet endangered, but it is intended to indicate how and why new negotiations to reestablish the exact boundaries of the concession will probably be necessary. The American company is working under a legal and bona fide concession which, so far as is known, has not and cannot be questioned; but the matter of the exact division of the province of Harrar into an eastern and a western half is automatically reopened. The American company will require official protection and representation at Adis Abeba when the matter again comes up.

Should the Department send even temporarily an official representative to Adis Abeba it is most respectfully suggested that he be formally accredited to the Abyssinian government, and carry the rank of Diplomatic Agent or Consul General in order that he may have the approximate official standing and prestige of the British, French, and Italian representatives there. Official rank is of particular importance in Abyssinia.

It

It is, of course, not yet certain that the Anglo-American Oil Company will wish to continue in the Abyssinian field. The prospecting party has about completed its survey and it is understood that nothing definite will be decided as to further work in Abyssinia until the prospecting party has returned to London and made its report for the consideration and discussion of the directors of the company. The party will very shortly return to London for that purpose. In the meantime it will probably be necessary only to keep in touch with developments respecting the Harrar province concession or concessions and the somewhat conflicting American, British, and French claims for oil rights in certain parts of the province.

I have the honor to be, Sir,

Your obedient servant,

American Consul.

File No. 863.

OFFICE OF THE
FOREIGN TRADE ADVISER

MEMORANDUM

March 12, 1921.

The originals of the despatches which are being transmitted with this correspondence are attached to a memorandum which has to-day been sent to Co and DC.

FRA

No. March 14, 1921.

Robert P. Skinner, Esquire,

American Consul General,

London, England.

Sir:

Reference is made to previous correspondence regarding the concession recently obtained by the Anglo-American Oil Company, Limited, in Abyssinia.

For your information there is herewith transmitted a copy of a despatch from the American Consul at Aden, dated January 18, 1921, which comtains important information with reference to this question.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

Enclosure:

Copy of despatch No. 435,
dated January 18, 1921,
from the American Consul
at Aden, Arabia.

TA

884.6363/28

FRF:MHM

TA

A true copy of the signed original

February 26, 1921.

No.

Harry N. Lakin, Esquire,
American Consul,
Aden, Arabia.

Sir:

Your attention is called to a press despatch from London dated February 24, containing the following statements:

> "A dispatch to the London Times from Rome says the Idea Nazionale publishes a rumor, which, it asserts, has been current in diplomatic circles for the last few days, to the effect that the Banca Commerciale Italian has ceded its oil fields in Abyssinia to the Standard Oil Company.
>
> "Some years ago, according to the Italian newspaper, the Italian Government ceded these oil fields to the Banca Commerciale, which has been criticised for leaving them undeveloped. The cession of the fields to the Standard Oil Company is said to have been made through the medium of the Banque de Paris et de Pays Bas."

The Department is interested in this information in connection with the subject of the Anglo-American Oil Company's concession in Abyssinia, and any further information regarding this matter which you are able to transmit to the Department will be appreciated.

I am, Sir,

Your obedient servant,

For the Secretary of State:

ACL : STE
WWC TA

884.6363/284

No. 3.

AMERICAN CONSULATE.

Aden, Arabia, March 2, 1921.

SUBJECT: Exploitation of Abyssinian Concession by Anglo-American Oil Company, Limited.

Office of Foreign Trade Advisor
MAR 30 1921
DEPARTMENT OF STATE

INDEX BUREAU
MAY 28 1921
PM

894.6363/29

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to refer to Despatch No. 435, dated January 18, 1921, (File No. 863), from this office and to further report that the members of the Dudley Scientific Expedition into Abyssinia have recently returned to London to lay the results of their trip before the Directors of the Company. Future developments will depend upon the action of the Directors in this matter.

In regards to the dispute over the agreement of the division of the concession, I enclose a copy of a letter written to Major Rooney by this office and his reply thereto.

Further information will be promptly reported as it comes to the knowledge of this Consulate.

I have the honor to be, Sir,

Your obedient servant,

Harry B. Larkin
American Consul.

Enclosures:
1- Copy of letter to Major Rooney.
2- Copy of letter from Major Rooney.

File No. 863.

COPY.

Aden, Arabia, February 14,1921.

Major S. S. Rooney,

Aden,

Arabia.

Sir:

I have the honor to quote for your information, in your capacity as local manager of the Anglo-American Oil Company expedition to Abyssinia, the following from a letter dated February 1, 1921, which this Consulate has just received from Hagop M. Baghdassarian, erstwhile general agent for your expedition in Abyssinia:

> "As you will see from the above letter (refers to a letter written Baghdassarian by Major Rooney under date of January 26, 1921) he makes an effort to put an end to my General Agency, by severing my relations with the Dudley Expedition.
>
> "Consequently, I beg leave to inform you that, in the capacity of the owner of the concession and the principal party to the Agreement, I am at liberty now to make enquiries in both alien and foreign markets for my concession and oil rights."

The parenthetical phrase in the above quotation was inserted by the writer in order to clarify the reference.

Mr. Baghdassarian addresses this Consulate presumably because of his failure to understand that its relations to the Dudley expedition are entirely detached and official and that a matter of this sort should be addressed to the company or its representatives. However, inasmuch as he has directly addressed this Consulate the notice which he serves is hereby formally communicated to you and made a part of the official records.

Signed. A. E. Southard,

American Consul.

File No.863.

COPY.

Aden, February 16, 1921.

Mr. A. E. Southard,

American Consul,

Aden.

Dear Sir:

I have before me your letter of the 14th in regard to the Harrar Mineral Concession held by Hagop Baghdassarian and note that he has written you stating that it is his intention to attempt the sale of the oil rights of his concession.

I wish to place on file in the Consulate the information that the oil rights for the Hagop Baghdassarian Harrar Concession are now the property of the Anglo-American Oil Company Limited, in accordance with a contract made between the Company and Hagop Baghdassarian at London in May, 1920, and any attempt on the part of Hagop Baghdassarian to sell or alienate in any way these oil rights would be a criminal and unlawful act.

The contract for the oil rights of this Concession was an act entirely apart from the employment of Hagop Baghdassarian as General Agent at Adis Abeba, which employment was merely to run as long as his services were satisfactory.

Will you please be kind enough to make this letter part of the official records of the Consulate?

With assurances of my high regard, I remain,

Respectfully yours,

THE DUDLEY EXPEDITION

Signed. S. S. Rooney.

Manager.

[redacted]6363

Ack by card

Orig'l to A.G.M. & F.R.T.

Copy hereof has been sent to Geo. E.

Copy has also been sent to

and to A.C.M.

26100 grc TA AE

FAR. 1-21 DEPT. OF STATE

ROME, March 11, 1921.

No. 331.

Office of Foreign Trade Advisor MAR 21 1921 DEPARTMENT OF STATE

INDEX BUREAU 884.6363 30

(5)

STRICTLY CONFIDENTIAL

DEPARTMENT OF STATE [redacted] APR 7 1921 DIVISION OF NEAR EASTERN AFFAIRS

STRICTLY CONFIDENTIAL

Filed APR 8 1921

The Honorable

The Secretary of State,

Washington, D. C.

Sir:

The attention of the Embassy was attracted to a special press report to the CHICAGO TRIBUNE from Milan, dated February 23d, which I have the honor to quote herewith:

"Standard Oil Controls Abyssinia Oil Fields
(Special Despatch)
(Chicago Tribune Foreign News Service)

MILAN, Feb. 23. -- The Standard Oil Company of America has obtained control of the Abyssinian oil fields, it is announced from a reliable source. The transaction was completed through the Banca Commerciale of Italy."

DEPT. OF STATE APR 6 192 ACKNOWLEDGED

I have the honor to report that even if there were oil fields in Abyssinia heretofore unexploited there appears to be absolutely no

no truth in the report in question, as it has been denied to the Counselor of the Embassy by the President of the Banca Italiana di Sconto, the rival of the Banca Commerciale, and by one of the high officials of the Commerciale itself, as well as by an Italian in close touch with the Prime Minister. The Vice Consul in Charge at Milan also reports that Mr. B. Dolcetta, one of the directors of the Banca Commerciale in Milan, has told him that the report is without foundation.

I have the honor to be, Sir,

Your obedient servant,

Robert Underwood Johnson

NOTE

See 818.6363 Am 6/75 for Note #233

From - - - - - - - - British Embassy - - - - - Mar. 23,1921

Suggesting cooperation by U.S. Govt. in the Amory case in Costa Rica, as was done by the British Govt. in the Anglo-American Oil Co. case in Abyssinnia.

INDEX BUREAU
818.6363/31
MAY 28 1921

dc

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN TRADE ADVISER

MEMORANDUM

April 6, 192 1.

2A: Noted. Feby. 18, 1922. 2A

3:L

Please note attached telegram and copy of memorandum from the British Embassy. When the report regarding Abyssinia is received from London, it will be possible to draft a reply to the British Embassy.

In the meantime, it is, in my opinion, inadvisable to hold the note to the British Foreign Office answering charges regarding this Government's attitude toward the Amory concession in Costa Rica. The publication of the mandate correspondence, in which these charges are made but not answered, makes it very desirable, in my opinion, to take some action to clear up misconceptions regarding this Government's position.

Retd. to D.O. from Secy's Office 2/11/22. D.O.

ASSISTANT SECRETARY
FEB 13 1922
DEPARTMENT OF STATE

ACM:MHM
WWC

TED.

NOT DISTRIBUTED

FA

5th, 1921

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today's pouch copy of

is morning concerning

ania.

8847.6363/32

FILE
FEB 20 1922 P

Government in maintaining the rights obtained by a concession.

His Majesty's Government are anxious in both these

cases

TELEGRAM RECEIVED.

NOT DIGEST

FA

81—844

FROM

This cable as received in the Department's Confidential Code

It should be closely paraphrased before being communicated to anyone

INDEX BUREAU
APR 5 1921
Dept. of State.

Al

London

Dated April 5th, 1921

Rec'd. 145pm

Secretary of State,

Washington, D. C.

DEPARTMENT OF STATE
FEB 15 1922
DIVISION OF WESTERN EUROPEAN AFFAIR

Office of Foreign Trade Advisor
APR 5 1921
DEPARTMENT OF STATE

277, April 5th, 3pm.

Your ~~166~~ 176, March 26th. 26 2. I forward by today's pouch copy of an exhaustive report by Consul General received this morning concerning operations of Anglo-American Oil Company in Abyssinia.

WRIGHT

HCC

INDEX BUREAU
884.6363/32

FILE
FEB 20 1922

Government in maintaining the rights obtained by a concession.

His Majesty's Government are anxious in both these

[illegible]

COPY

RMD-SS

Mar. 24, 1921

MEMORANDUM.

His Britannic Majesty's Ambassador presents his compliments to the Secretary of State and has the honour to inform him that, according to advices received by His Majesty's Government, the Costa Rican Congress has recently rejected an agreement presented to them which would have permitted arbitration in the case of what is known as the Amory Oil Contract which, in common with the other acts of the late regime in Costa Rica, was recently declared invalid by the Costa Rican Congress.

On the instructions of his Government, Sir Auckland Geddes ventures to enquire whether the United States Government would be prepared to associate themselves with His Majesty's Government in demanding arbitration on the validity of this concession which is owned by companies registered in the United States and in which British capital is interested.

In this connection Sir Auckland Geddes is instructed to suggested that a somewhat similar case has, as the State Department are no doubt aware, recently arisen in Abyssinia where a British subject, acting on behalf of an Anglo-American oil company, has asked for the support of His Majesty's Government in maintaining the rights obtained by a concession.

His Majesty's Government are anxious in both these

cases

cases to act, if possible, with the co-operation of the United States Government with the view to obtaining a fair and impartial consideration of the merits of claims in which nationals of both countries are interested.

BRITISH EMBASSY,

WASHINGTON.

March 23rd, 1921.

No. 10.

INDEXING BUREAU
Rec'd
APR 15 1921
Dept. of State.

AMERICAN CONSULATE.

Aden, Arabia, March 23, 1921.

SUBJECT: Exploitation of Abyssinian Oil Concession by Anglo-American Oil Company.

Office of Foreign Trade Advisers
APR 16 1921
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to acknowledge, with thanks, the receipt of the Department's instruction, dated February 11, 1921, (File No. 8846363/25), enclosing copies of despatches from the American Consul General at London, all with reference to the petroleum concession in Abyssinia recently obtained by the Anglo-American Oil Company, Limited.

This Consulate will keep in touch with further developments in this matter and will not fail to report promptly to the Department any information obtained.

The Department's instructions to transmit copies of my reports on the subject to the Consul General at London will be duly carried out.

I have the honor to be, Sir,

Your obedient servant,

Harry R. Lawrence

American Consul.

File No. 863.

LONDON, April 5, 1921.

No .4445.

Office of Foreign Affairs
Filed
April 12 1921

APR 5 1921
DIVISION OF
WESTERN EUROPEAN AFFAIRS.

DEPARTMENT OF STATE.
MAY 23 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

INDEX BUREAU
884.6363/34

The Honorable

The Secretary of State,

Washington.

Sir:-

In confirmation of my telegram No.277 of to-day's date, and with reference to the Department's telegraphic instruction No.176 of March 28, 6 p.m., I have the honor to enclose herewith a copy of a report dated April 4, 1921, (Ref.No.863 RPS.ML) from the Consul-General concerning the operations of the Anglo-American Oil Company in Abyssinia, received only just in time for to-day's pouch, in which Mr. Skinner discusses at length the points raised in the Department's aforementioned telegram.

In the/

In the interim between this date and that of the Department's receipt of this comprehensive report, I hope to be able to cable additional suggestions or observations regarding the matter - although it would appear from my somewhat hasty perusal thereof that the Department's consideration of the present situation might well await the receipt of Mr. Skinner's report.

The few moments at my disposal before the closing of the pouch render it impossible for me to transmit more than one copy of Mr. Skinner's report, an extra copy of which was furnished me by the Consul-General.

I have the honor to be,

Sir,

Your obedient servant,



Enclosure:- Mr. Skinner to Mr. Wright, April 4, 1921.

April 4, 1921.

865. KPS.ML.

J. Butler Wright, Esquire,
American Charge d'Affaires,
American Embassy,
4, Grosvenor Gardens,
S.W.1.

Sir:-

I have the honor to refer to a cabled instruction (No.176) of March 28th 1921 from the Department of State addressed to yourself, in regard to the activities of the Anglo-American Oil Company in Abyssinia, brought to my attention on Friday last by Mr. Rodgers. The instruction is to the effect that a statement has been made by the British Ambassador at Washington that a British subject in Abyssinia, acting on the part of the Anglo-American Oil Company, has asked for the support of the British Government, and suggests that this support would be forthcoming, should the American Government co-operate in a similar manner in relation to the British controlled concession in Costa Rica. I have now completed my enquiries relative to this matter, and am in a position to confirm the statement I made to Mr. Rodgers, that in all probability there was no foundation whatever for supposing that the Anglo-American Oil Company had sought the support of the British authorities either in Abyssinia or elsewhere; indeed, the very contrary is the case, the British authorities having thrown every possible difficulty

in/

in the way of the Anglo-American Oil Company. The implication that the effort of British agents in Abyssinia on behalf of American interests entitled British interests in Costa Rica to the same consideration from our American representatives is wrong, in view of the facts as I have learned them at first hands from the members of the American exploring party, who have just returned from North East Africa, and who have been directed to acquaint me with the position by the Directors of the Anglo-American Oil Company.

The Anglo-American Oil Company is interested in Abyssinia as a result of certain proposals made last year by Mr. Topakyan, Consul General for Persia in New York, who was in charge of what is known as the Bogbesarian Harrar Mineral Concession, covering the entire province of Harrar in the Ethiopian Empire. Mr. Topakyan's partner is a certain Alistair MacKelvie, a British subject. The Anglo-American Oil Company took over this concession upon agreed terms, from which it follows that if the productivity of the field should be satisfactory, Mr. MacKelvie, the British subject, would have a sentimental interest in the matter, and in this extent he is anxious that the enterprise should be successful. Mr. Topakyan has assigned all his interests to Mr. MacKelvie, and Mr. MacKelvie, no doubt, has said that he would make use of his supposed influence with the British Foreign Office and others in authority. How great that influence is and how helpful the Foreign Office and its agents have proved to be will appear in the succeeding recital.

On/

On the arrival of the exploring party of the Anglo-American Oil Company in Abyssinia last summer, they discovered, considerably to their surprise, that Bagdasarian and his associates, before negotiating with them, had already sold a quarter of the Harrar concession to a French group, composed of Messrs. Bayart Freres. After Messrs. Topakyan and Bagdasarian had engaged in their negotiations with the Anglo-American Oil Company, they undertook to repurchase from Messrs. Bayart Freres this quarter interest and as Bayart Freres were weary of the whole transaction, they had no difficulty in coming to an understanding, and placed funds in New York at the disposition of Messrs. Bayart Freres for the accomplishment of this purpose. It is understood that Bayart Freres originally paid £5000 or its equivalent to Bagdasarian for a quarter interest, and were willing to accept a considerably smaller sum on its repurchase. They were given a check, which when presented was not honored, but it is claimed that the funds were actually in New York at the time, and that failure to make payment resulted from a technical error on the part of Bayart Freres. However that may be, when Bayart Freres learned that the Anglo-American Oil Company had obtained the whole concession, they ceased to press for payment of the check, and still claim to be interested in the Bagdasarian concession to the extent of one quarter of the whole. This detail remains to be finally settled as between all parties at interest.

The exploring party of the Anglo-American Oil Company on reaching Abyssinia found that the Government were contesting the validity of the original Bagdasarian concession, and as a matter of fact had actually sold a concession for the Eastern half of the Province of Harrar, as to its mineral rights, to the

Abyssinian/

Abyssinian Corporation, a British enterprise which drews its breath of life from the British Foreign Office. It would not be too much to suppose that the unwillingness of the Abyssinian Government to recognise the validity of the original Bagdasarian concession had been inspired by British opposition to the entry of American interests in this region. When the Anglo-American group learned of this situation they decided to avoid trouble and applied for a new concession from the Abyssinian Government for the Western half of the Province of Harrar, consenting that the Abyssinian Corporation should retain the Eastern half notwithstanding their probable valid rights under the Bagdasarian concession. The Abyssinian Government, notwithstanding its claim that the Bagdasarian concession was invalid, nevertheless only granted the new concession for the Western half of the Province of Harrar on the condition that it should be made out in the name of Bagdasarianwith a clause providing that the contract between the Topakyan and Bagdasarian on the one side, and the Anglo-American Oil Company on the other side, as to the original concession, should be valid also with respect to the new.

As matters then stood, the British interests had succeeded in preventing the Anglo-American Oil Company from obtaining a concession for the whole of the Province of Harrar, and a clash had been avoided by the division of the Province in to Eastern and Western halves. Then the very interesting discovery was made that the Abyssinian Corporation had quite overreached itself, and in asking for the Eastern half, really had not understood what this meant in geographical terms, so that when the two interests were described on a map, it was found that the Anglo-American Oil Company had really come into

possession/

possession of considerable territory that the Abyssinian Corporation had believed they were getting for themselves. The discovery had the effect of putting the Abyssinian Corporation into a more tractable mood and as a result the two concessions were redefined, and both parties agreed upon the geographical limitations of their respective rights.

The various negotiations leading up to the final agreement were fully understood at the British Legation in Adis Ababa. When the agreement as to British and American rights was finally drafted it was signed in the presence of Mr. Cyril Gamo, British Vice-Consul, Mr. Southard, American Consul at Aden, and Mr. Zaphiro, the interpreter of the British Legation. To become completely binding, the contract required only the formal endorsement of the Abyssinian Government. The assistance rendered by the British Government in this matter will be realised from the fact that at this point the Abyssinian Government was induced to withhold this final assent, and my information is that Mr. Dodds, the British Charge d'Affaires in Abyssinia, at the time approached the Abyssinian Government and practically compelled that Government to withhold its endorsement. Within the past few days unofficial advices have been received in London that the Abyssinian Government has ratified the agreement relating to these matters, notwithstanding the prolonged opposition of the British Legation. In the meantime the Abyssinian Corporation is understood to have fallen upon evil days, and being unable to meet all its engagements, which I do not

understand/

understand in detail, found it necessary to turn back to the Abyssinian Government their concession covering half of the Province of Harrar.

The Anglo-American Oil Company have not taken up this particular concession given up by the Abyssinian Corporation except insofar as they may claim to be covered by the original Bagdasarian concession which relates to the Province of Harrar as a whole. It would seem to be the case, then, that the Anglo-American Oil Company now possesses a concession which includes the Western half of the Province of Harrar, the validity of which is apparently beyond any doubt whatever, and likewise possesses the original Bagdasarian concession for the whole of the Province which may be valid or may not. There is also, overshadowing the whole Empire of Abyssinia, an earlier agreement with Messrs. Bayart Freres, who pretend to hold a concession relating to mineral rights throughout the country but which, while it may form subject matter of diplomatic conversations, is quite certainly a merely wildly extravagant claim. The Abyssinian Government allege that Messrs. Bayart Freres hold merely certain prospecting rights of a strictly defined character, limiting them to operations to which no other concession applies, and without any exclusive advantages whatever.

The main point which I have endeavored to make clear in the foregoing is that the existing interests of the Anglo-American Oil Company in Abyssinia have been secured through their own activity, not only without the assistance of British officials, but against their active and persistent opposition.

I am, Sir,
Your obedient Servant,

ROBERT P. SKINNER.

American General Consul.

DEPARTMENT OF STATE.
MAY 23 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

No. 11069.

884.6363

AMERICAN CONSULATE GENERAL,

LONDON: ENGLAND.

April 4, 1921.

SUBJECT: AMERICAN OIL INTERESTS IN ABYSSINIA.

DEPARTMENT OF STATE
MAY 25 1921
WESTERN EUROPEAN AFFAIRS.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

Office of Foreign Trade Advisers
FILED APR 20 1921
DEPARTMENT OF STATE

INDEX BUREAU
884.6363
3
5

SIR:

I have the honor to transmit herewith a copy of a letter which I am forwarding to the Embassy to-day in regard to the above matter, and respecting which it is very probable that the Department will have received cabled advices in brief form before this despatch reaches Washington.

The circumstances leading up to the presence of the Standard Oil interests in Abyssinia are explained in the enclosure. As to the possible productivity of the field I am advised by Major Rooney, the Head of the American exploring party that, while no oil wells have been completed in Abyssinia to date, geographical indications have been found which point, almost with certainty, to the existence of very considerable deposits. Unless fissures in the geographical formation may have permitted the reservoirs of oil to escape, there seems to be every prospect that supplies will be found in commercial abundance, and it is the expectation of the Standard Oil interests to continue their efforts in this field.

I learn incidentally that the Anglo-Persian group are exploring in British Somaliland, and that the two parties

met/

Filed
MAY 27 1921.

met occasionally last year, exchanging information of a scientific character from time to time.

I have the honor to be, Sir,
Your obedient Servant,

American Consul General.

863.
RPS.ML.

Enclosure:-

Copy of letter to the American Charge d'Affaires, dated April 4, 1921.

April 4, 1921.

865. EPS.ML.

J. Butler Wright, Esquire,
American Charge d'Affaires,
American Embassy,
4, Grosvenor Gardens,
S.W.1.

Sir:-

I have the honor to refer to a cabled instruction (No.176) of March 26th 1921 from the Department of State addressed to yourself, in regard to the activities of the Anglo-American Oil Company in Abyssinia, brought to my attention on Friday last by Mr. Rodgers. The instruction is to the effect that a statement has been made by the British Ambassador at Washington that a British subject in Abyssinia, acting on the part of the Anglo-American Oil Company, has asked for the support of the British Government, and suggests that this support would be forthcoming, should the American Government co-operate in a similar manner in relation to the British controlled concession in Costa Rica. I have now completed my enquiries relative to this matter, and am in a position to confirm the statement I made to Mr. Rodgers, that in all probability there was no foundation whatever for supposing that the Anglo-American Oil Company had sought the support of the British authorities either in Abyssinia or elsewhere; indeed, the very contrary is the case, the British authorities having thrown every possible difficulty

in/

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On/

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Abyssinian/

Abyssinian Corporation, a British enterprise which draws its breath of life from the British Foreign Office. It would not be too much to suppose that the unwillingness of the Abyssinian Government to recognise the validity of the original Bogdassarian concession had been inspired by British opposition to the entry of American interests in this region. When the Anglo-American group learned of this situation they decided to avoid trouble and applied for a new concession from the Abyssinian Government for the Western half of the Province of Harrar, consenting that the Abyssinian Corporation should retain the Eastern half notwithstanding their probable valid rights under the Bogdassarian concession. The Abyssinian Government, notwithstanding its claim that the Bogdassarian concession was invalid, nevertheless only granted the new concession for the Western half of the Province of Harrar on the condition that it should be made out in the name of Bogdassarian with a clause providing that the contract between the Topalyan and Bagdassarian on the one side, and the Anglo-American Oil Company on the other side, as to the original concession, should be valid also with respect to the new.

As matters then stood, the British interests had succeeded in preventing the Anglo-American Oil Company from obtaining a concession for the whole of the Province of Harrar, and a clash had been avoided by the division of the Province into Eastern and Western halves. Then the very interesting discovery was made that the Abyssinian Corporation had quite overreached itself, and in asking for the Eastern half, really had not understood what this meant in geographical terms, so that when the two interests were described on a map, it was found that the Anglo-American Oil Company had really come into

possession/

possession of considerable territory that the Abyssinian Corporation had believed they were getting for themselves. The discovery had the effect of putting the Abyssinian Corporation into a more treatable mood and a result the two concessions were redefined, and both parties agreed upon the geographical limitations of their respective rights.

The various negotiations leading up to the final agreement were fully understood at the British Legation in Adis Ababa. When the agreement as to British and American rights was finally drafted it was signed in the presence of Mr. Cyril Cane, British Vice-Consul, Mr. Southard, American Consul at Aden, and Mr. Zaphiro, the interpreter of the British Legation. To become completely binding, the contract required only the formal endorsement of the Abyssinian Government. The assistance rendered by the British Government in this matter will be realised from the fact that at this point the Abyssinian Government was induced to withhold this final assent, and my information is that Mr. Dodds, the British Charge d'Affaires in Abyssinia, at the time, approached the Abyssinian Government and practically compelled that Government to withhold its endorsement. Within the past few days unofficial advices have been received in London that the Abyssinian Government has ratified the agreement relating to these matters, notwithstanding the prolonged opposition of the British Legation. In the meantime the Abyssinian Corporation is understood to have fallen upon evil days, and being unable to meet all its engagements, which I do not

understand/

understand in detail, found it necessary to turn back to the Abyssinian Government their concession covering half of the Province of Harrar.

The Anglo-American Oil Company have not taken up this particular concession given up by the Abyssinian Corporation except insofar as they may claim to be covered by the original Bagdasarian concession which relates to the Province of Harrar as a whole. It would seem to be the case, then, that the Anglo-American Oil Company now possesses a concession which included the Western half of the Province of Harrar, the validity of which is apparently beyond any doubt whatever, and likewise possesses the original Bagdasarian concession for the whole of the Province which may be valid or may not. There is also, overshadowing the whole Empire of Abyssinia, an earlier agreement with Messrs. Bayart Freres, who pretend to hold a concession relating to mineral rights throughout the country but which, while it may form subject matter of diplomatic conversations, is quite certainly a merely wildly extravagant claim. The Abyssinian Government allege that Messrs. Bayart Freres hold merely certain prospecting rights of a strictly defined character, limiting them to operations to which no other concession applies, and without any exclusive advantages whatever.

The main point which I have endeavored to make clear in the foregoing is that the existing interests of the Anglo-American Oil Company in Abyssinia have been secured through their own activity, not only without the assistance of British officials, but against their active and persistent opposition.

I am, Sir,
Your obedient Servant,

ROBERT P. SKINNER.

American Consul General.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$

TELEGRAM SENT.

Department of State

Washington,

April 25, 1921.

American Consul,

London.

Your despatch 11069, April 4, 1921, Abyssinian Oil.

Transmit to Department if possible copies of following concessions: -

Baghdassarian Concession - 1915 - 1920,

Bayart Freres Concession - 1919,

Abyssinian Corporation - 1920;

also copies of agreements between Baghdassarian and Anglo-American Oil Company, between Baghdassarian and Bayart Freres, and between Anglo-American Oil Company and the Abyssinian Oil Corporation.

The Department desires to be informed promptly whether Abyssinian Government has approved last named agreement, whether Abyssinian Corporation has turned back its concession and whether McKelvie has contingent interest in second Baghdassarian Concession.

Hughes

Sent by operator ALVEY A. ADEE

WWC TA ACM SGE

Enciphered by ACM

Sent by operator ..... M. ..... 1921.

Index Bu.—No. 80.

1—138

894.6363/35

No. 11094.

AMERICAN CONSULATE GENERAL,

London, England.

April 6, 1921.

SUBJECT:

American Oil Interests in Abyssinia.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to acknowledge the receipt of the Department's instruction of March 14, 1921, enclosing, for my information, a copy of the despatch of the American Consul at Aden of January 18, 1921, on the above subject, all of which I have read with much interest.

The communication from the American Consul at Aden reaches me shortly after having forwarded to the Department my No. 11069 on the same subject, which was written in reply to a suggestion from the British Ambassador at Washington that British officials in Abyssinia had been "assisting" American interests in that part of the world.

The Department will not fail to note from my observations of April 4th. that the statements of the British Ambassador constitute a gross travesty of the facts; that the British officials in Abyssinia proceeded from one intrigue to another with a view to preventing the Standard interests from acquiring a valid concession, and the suggestion that, after having adopted this attitude, we, in gratitude, should

assist British interests in Costa Rica, is indeed a highly diverting proposal.

I have the honor to be, Sir,

Your obedient Servant,

Robert P. Skinner

American Consul General.

863, RPS.MH.

Copy to Commerce 29595 gpc
" " Geol S
" " Mines
ACM 6/1/21

No. 11244.

AMERICAN CONSULATE GENERAL,

LONDON: ENGLAND.

May 6, 1921.

29595

SUBJECT: CONCESSIONS AND CONTRACTS RELATING TO OIL DEVELOPMENTS IN ABYSSINIA.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

STRICTLY CONFIDENTIAL

SIR:

I have the honor to refer to the Department's cabled instruction of April 28th 1921 directing me to obtain the texts of various concessions and contracts relating to oil developments in Abyssinia, to which reference was made in my 11069 of April 4th 1921. I have consulted my friends of the Anglo-American Oil Company respecting this matter, as a result of which I am forwarding herewith copies of all of the documents in the possession of that company. These documents may be checked against my statements of April 4th, as follows :-

(A) The original concession from the Abyssinian Government to Hagob Baghdasarian. This agreement was transferred as to one-half to H.H.Topakyan who eventually and in due form transferred the entire concession to Charles Edwin Dudley, acting on behalf of the Anglo-American Oil Company.

(B) The agreement by which Messrs. Topakyan and Baghdasarian transferred their concession to Charles Edwin Dudley, now deceased, an officer of the Anglo-American Oil Company.

(C)/

(C) A memorandum of agreement between Charles Edwin Dudley and the Anglo-American Oil Company Ltd. whereby Colonel Dudley formally transferred to the Anglo-American Oil Company all the rights required under the original concession.

(D) The revised concession covering one-half of the Province of Harrar obtained by the exploring party of the Anglo-American Oil Company in Abyssinia, to which extended reference is made at the bottom of Page 3 of the enclosure to my 11069. Under this revised concession the Anglo-American Oil Company undertook to compose differences arising under claims and counter-claims, and this is the concession under which they are now operating and propose to operate.

(E) An agreement between the Anglo-American/Company and the Abyssinian Corporation Limited, whereby the territory covered in the concession (D) is re-adjusted as between two concerns.

(F) The ratification of the new concession (D) received recently in London from Abyssinia and which is believed to be a genuine document. However, as we have no American Consular representative in Abyssinia to confirm the validity of this ratification, there remains a certain element of doubt with respect to it, although it is fully believed to be a correct translation of a formal ratification of the Government of Abyssinia.

(G) A contract between H.H.Topakyan and Alistair McKelvie, a British subject, by which Mr. Topakyan transferred all of his own rights, title and interest, arising out of the contract with the Anglo-American Oil

Company/

Company to Mr. McKelvie. As explained in my despatch 11069, the appearance of Mr. McKelvie in this matter does not indicate that it is a joint Anglo-American enterprise, but merely that as a result of various negotiations whereby American interests secured the concession in Abyssinia, Mr. McKelvie will profit by the success of the undertaking, should it indeed prove to be successful.

It will be observed that the second concession covering one-half of Abyssinia (D) granted to the Anglo-American Oil Company, is technically granted to Mr. Baghdasarian himself under Article 19 of the concession "to be worked for by the Anglo-American Oil Company Ltd. according to an agreement made in London between the said company and Mr. Maghdasarian". The effect of this is that Mr. McKelvie, succeeding to Mr. Topakyan's interests retains his contingent interest in the second Baghdasarian concession in the same manner as in the first.

With respect to the relations between Messrs. Baghdasarian and Bayart Frères, I desire to report that I have been unable to obtain copies of letters and the like. The position is, however, that Bayart Frères bought in a portion of the original Baghdasarian concession before it was sold to the Anglo-American Oil Company, but agreed to sell back to the original concessionnaire before the concession was purchased on behalf of the Anglo-American Oil Company. Re-payment to Messrs. Bayart Frères took the form, not of a check, as I may have stated elsewhere, but the form of a ninety-day draft. This draft was payable in New York and was presented before becoming due and was naturally not paid. Messrs. Bayart Frères, no doubt learning of the later negotiations

thereupon refrained from undertaking to collect the draft at the proper time and are making the rather absurd claim that the draft itself has been dishonored. It is my understanding that funds are available for payment of this draft now and were available at the time the draft was actually due.

[etc.]

I have, ~~the honor to be, Sir,~~

~~Your obedient Servant,~~

Robert P. Skinner

~~American Consul General.~~

863.
RPS.ML.

Enclosures:- Documents A,B,C,D,E,F & G as described above.

Enclosure "A".

TRANSLATION OF A CONCESSION FROM THE ABYSSINIAN GOVERNMENT TO HAGOB BAGHDASSARIAN, as translated from the AMHARIC.

The Abyssinian Government has granted the following concession to Mr.Hagob Baghdassarian.

1. Mr.Hagob Baghdassarian is permitted to search,exploit and extract minerals in the province of Harrar Dejazmatch Taffan's Province such as Copper,Tin,Lead,Iron,Petroleum, Coal (from those places whereby any concession holder is not occupied). He is at the same time permitted to work extract gold silver diamonds and any all other kind of minerals and precious stones, which he may find in the earth or in stones while searching and extracting the above minerals.

2. Mr.Hagob Baghdassarian is permitted to form a company so as to work this.

3. Mr.Hagob Baghdassarian or his Company is to start the work and search and extract the minerals from present date up to five years. But if he fails to search and extract and establish factory to begin the work within the period of five years this Concession will be cancelled after the termination of that period.

4. Mr.Hagob Baghdassarian or his Company in searching and extracting copper,tin,lead,iron,petroleum,coal or any other minerals which may be found in the earth or in stones in finding this he must show such places to the Abyssinian Government so as to receive the necessary ground after it has been measured for the work, ground for a factory, or any other ground which may be necessary for the work. But in case such places be belonging to someone else or may have cultivation or plantations in such cases Mr.Hagob Baghdassarian or his Company while searching and working the mines will not interfere in those things which the peasants are benefitted by or he must not cause the peasants to complain.

5. If there are rivers in the premises of the grounds where he has received for this work, in such cases Mr.Hagob Baghdassarian or his Company are permitted to establish factories on the rivers for the work, but he must not choke the river from its course.

6. Mr.Baghdassarian or his Company has to pay to the Abyssinian Government eight (8%) per cent from the net profits on the following minerals, iron, petroleum, coal, gold, silver, diamonds, precious stones, or any all other minerals which they find in the earth or in stones. After he has paid this eight per cent. he can take the minerals to any other country and sell, that he may like without any more charge of duty.

If the Abyssinian Government desire to purchase

for/

for their own use copper from the shares of Mr.Hagob Baghdassarian or from the Company's share in that case they must sell to the Government three (3%) per cent., less than the market price.

7. No duty will be charged for those tools and goods which may be brought for the factory or for the work.

8. Mr.Hagob Baghdassarian or his Company must respect the Laws of Abyssinia all the time during the period of the present concession which gives the right to work mines in Abyssinia.

9. In case he wants to search and extract all kinds of minerals to whichhe is permitted, and that if those places may be dangerous places or desert countries the Abyssinian Government undertakes to give the necessary guards but Mr. Hagob Baghdassarian or his Company have to pay the wages of these soldiers sufficiently.

10. The Abyssinian Government shall appoint Controllers who,will keep account of the extracted minerals and who will work after everything but Mr.Hagob Baghdassarian or his Company have to pay the wages for such persons at the rate of not less than one hundred dollars for each person per month.

11. If in the future the Abyssinian Government desire to change or add or lessen things from the present concession she can do so after having agreed and permitted by Mr.Hagob Baghdassarian or his Company.

12. Mr.Hagob Baghdassarian or his Company are not allowed to give,hand over,or sell or cede the present concession to any Government whatsoever,

13. The present concession is valid from the present date up to fifty years. At the termination of the present concession if the Abyssinian Government desire to keep all the moveable articles and things of the factories, she can do so after the valuation made by Arbitors. The oldness of the articles will be taken into consideration.

The present concession is made in duplicate, one copy with the Abyssinian Government, the other copy with Mr.Hagob Baghdassarian or his company.

20th August 1907 (Abyssinian style)
26 August, 1915.

(sgd) Biet Woded-Hacti Gorgis (LS)

Prime Minister.

It is hereby certified that the above is a correct translation of the original concession as nearly as possible.

(sgd) Semerdulashia.

Witness.
(sgd) James S.Hack
36 Queen Anne's Gate,
London,S.W. Eng.,

Copy of an Agreement whereby Hagob Baghdassarian transfers a half interest in a certain concession for extracting minerals in Abyssinia to H.H. Topakyan.

AGREEMENT made in Adis Ababa on the twenty eight day of November,1919, between Hagob Baghdassarian residing at Adis Ababa of the one part and Haigazoun Topakyan of the United States of American presently residing at Adis Ababa of the other part.

1. It is agreed that the concession dated on the 20th. Nehasse,1907 (Abyssinian style) and which is for a period of fifty years granted by the Abyssinian Government to Hagob Baghdassarian and which concession is forthe whole of the Harrar province and which is the same as Ras Taffari's province.

2. It is agreed that H.Baghdassarian has transferred his half right of his Harrar concession to H.H.Topakyan. And H.Baghdassarian has received an amount for the payment of his half share from H.H.Topakyan and for which H.Baghdassarian has given a receipt of the payment of a purchase.

3. It is agreed to form a Company with H.H.Topakyan in the name of The American Ethiopian Mining Corporation and by the following conditions are agreed.

4. It is also agreed that the expenses of the Company should be paid, half by H.Baghdassarian and the remaining half by H.H.Topakyan which is to say by the American Ethiopian Mining Corporation.

5. It is agreed that should the company be formed to work the minerals found in the concession in that case H.H.Topakyan or his company is to receive fifty per cent of the shares.

6. It is also agreed that H.Baghdassarian and H.H. Topakyan or their companies are free to sell their shares to one or more companies if they so desire. But they or their companies must form part of the American Ethiopian Mining Corporation and will not have the right to work separately.

7. It is further agreed that all disputes or questions regarding this agreement and the concessions are to be decided according to the laws of the United States of America and France.

8. It is also agreed that from the day of the signing of this Contract the company must start to work the minerals of the Harrar province within sixty days.

9. It is finally agreed that this agreement shall be binding on the heirs of both parties.

10. It is also agreed that Messrs Achille Bayart & Sons have to recognize the contract between H. Baghdassarian and H.H.Topakyan dated 28th day of November 1919 referring to the Harrar concession.

11. It is agreed that H.Baghdassarian and H.H. Topakyan or their companies are not allowed to sell or transfer or cede the Harrar Mining Concession to any Government whatsoever.

12. The present contract is made in four copies two will remain with H.Baghdassarian and the other two will remain with Haigazoun H.Topakyan.

Vu pour legalization des signatures de Messieurs H.Baghdassarian et H.H. Topakyan apposees ci-contre en notre presence. (sgd):---?
(sgd):---?

ADDIS-ABBEBA le 30 November 1919 (sgd):-Haigazoun H.Topakyan.

Le Chargé d'Affaires de France

(sgd) ? M.Brennan.

Stamp:

Legation de
France
en
Ethiopie.

(Stamp 10/-)

AN AGREEMENT made between HAGOB BAGHDASSARIAN of Addis-Ababa Abyssinia and CHARLES EDWIN DUDLEY of London whereby the said Hagob Baghdassarian is to act as Agent General to an expedition to be formed for the purpose of exploiting the Petroleum rights under a certain concession granted to the said Hagob Baghdassarian by the Government of Abyssinia.

1. The said Hagob Baghdassarian is to do everything necessary to carry out the terms of an Agreement made between himself and H.H.Topakyan and the said C.E.Dudley which Agreement is to be the basis of the connection of the said Hagob Baghdassarian with the expedition.

2. The said Hagob Baghdassarian will use his best endeavours to obtain from the Abyssinian Government all assistance and permits necessary to carry out the terms of the Concession, and will place his services entirely at the disposition of the said C.E.Dudley or his representative for the furthering in every way possible the interests of the Petroleum concession.

3. The said Hagob Baghdassarian is to act under the authority of the leader of the expedition who will represent the said C.E.Dudley and will not incur any expense or do or allow anything to bedone in connection with the working of the Petroleum Concession without the consent of the said C.E. Dudley or his authorized representative.

4. In the event of the services of the said Hagob Baghdassarian being carried out to the satisfaction of the said C.E.Dudley or his representative the said Hagob Baghdassarian shall receive £200 (Two hundred) English Pounds per month to be paid on or before the last day of each month to his account at Messrs Morgan Grenfell & Company in the City of London, beginning with the Month of May,1920.

In witness whereof the several parties hereto have set their hands and seal to this Agreement of which this copy is

Dated at London April 30,1920.

(sgd) Chas.E.Dudley (LS)

Witness:

James S.Hack
Clerk
36 Queen Anne's Gate,
London,S.W., Eng.,

(sgd) Hagob Baghdassarian (LS)

Witness:
F.E.Powell.

Charles E.Dudley,Esq., London,April 30,1920.

Please accept my instructions to pay to the credit of Mr.H.H.Topakyan the amount due to me on the 1st of each month, namely £200, and his receipt will be my acknowledgment to you of payment.

(sgd) Hagob Baghdassarian.

Dudley Expedition with Topakin and Baghdassarian.

(Stamp 10/-)

AN AGREEMENT made in London April 30th 1920 BETWEEN H.H.TOPAKYAN located in New York, and HAGOB BAGHDASSARIAN, of Addis-Ababa, Controller of Mint in Abyssinia, of the one part hereinafter known as the "Concessionaires" and CHARLES EDWIN DUDLEY, an American citizen in London of the other part hereinafter known as the "Purchaser,"for the purpose of developing the Petroleum port of a certain concession granted by the Abyssianian Government to Hagob Baghdassarian, and which he guarantees as being in full force and validity at this date whereby he is permitted to search exploit and extract minerals in the province of Harrar Dajazmath Taffan's Province such as Copper, tin, lead, iron, petroleum, coal (from those places not occupied by any other concession holder), such concession being valid for 50 years (fifty years) from 5 years (five years) that is not later than August 26th 1915 but work on such concession to be commenced within 5 years (five years) that is not later than August 26th 1920.

1. A translation of such concession furnished by Hagob Baghdassarian from the Amharic and guaranteed as a correct translation, is attached to this Agreement and signed by both parties as formingpart of same.

2. The manner in which the "Concessionaires" and the "Purchaser" are to operate the concession in the first instance is asfollows:-

3. The Purchaser undertakes as soon as it is possible under present conditions of travel and transport to send to Abyssinia a competent Petroleum Engineer, together with such machinery for boring and other similar apparatus as may be quickly obtainable for the purpose of beginning work under the Petroleum part of said concession.

4. The Purchaser undertakes to expend a sum up to a total of but not exceeding £25,000 (twentyfive thousand) in an effort not only to commence work for the protection of the Petroleum part of the said concession rights, but also to earnestly endeavour to bore and otherwise win Petroleum under the concession at such place or places in Abyssinia, as may be indicated by Hagob Baghdassarian or H.H.Topakyan orother duly authorised representative of the Concessionaires.

5. In view of the expenditure to be made by the Purchaser as above and inconsideration of this Agreement, the Concessionaires agree that the Purchaser's interest or share in the Petroleum deposits that may be located or Petroleum that may be produced or found shall be 75% of same in quantity or value and the Concessionaires interest or share shall be 25% of same, all after payment to the Abyssinian Government of 8% of such quantity or value as provided for in theoriginal concession, and the Concessionaires further undertake to do any or all things necessary to make valid in a legal way the Purchaser's interest in the Petroleum concession as being 75% of the total as above, either before the Abyssinian Government or American Consul at Addis Ababa or elsewhere, or both, and further for the purpose of confirming or obtaining an extension of the grant of the concession as the "Purchaser" may require.

6. It is distinctly understood and made part of this Agreement that the 25% share in the Petroleum rights under the concession representing the interest of the Concessionaires shall not be sold or otherwise disposed of or compromised in any way by either Hagob Baghdassarian or H.H.Topakyan separately or jointly without the Purchaser under the Agreement having a first refusal to purchase suchrights or interests that the Concessionaires may wish to sell or otherwise part with.

7. The Concessionaires shall as far as their influence and power will permit facilitate all operations and endeavours that may be made by the Purchaser to begin work under the concession as above including the obtaining of the all the permits from the Abyssinian Government or local Base for Rail Transport from the port of Jibuti including the clearance of Machinery,tools, supplies, personal baggage, equipment etc the furnishing of the necessary caravans, mules, camels, horses, oxen, building material and labourers, at times and places as may be required bythe purchaser for the proper and economical carrying out of the work. The expenditure by the Purchaser of £25,000 (twentyfive thousand) as above shall include all expenses of every kind including rail and ocean freight and charges on machinery, tools and other material necessary for the work together with the expenses of any personnel sent from England for the purpose of the petroleum concession. Also cost of personnel, labourers, cattle and all material used also the salary of any controller to be furnished by the Abyssinian goverment as stipulated in the original concession.

8. It is distinctly understood however that no expense of any kind may be incurred for account of the Petroleum Concession without the express consent of the Purchaser or his representative and that if agreed by him such expenditure shall be considered part of the £25,000 (twenty five thousand) as mentioned above.

9. It is further condition that if the Purchaser or his representative decide that the prospects of discovering or winning petroleum under the concession are not sufficient to justify any expenditure beyond the £25,000 (twentyfive thousand) as above they may cease work and withdraw their plant, machinery, and personnel, and dispose of same by sale or otherwise or ship same out of the country as they may deem necessary without any further obligation on the part of the purchaser to the Concessionnaires or the Abyssinian Government or local Base.

10. In the event that the efforts of the Purchaser to discover or win petroleum meet with results justifying a further expenditure beyond the said £25,000 (twentyfive thousand) then a separate petroleum company shall be established for the development of thepetroleum side of the concession.

11. The Concessionaires will bear any expenses of their representatives up to the time when a separate petroleum company shall be established for the purpose of dealing with the petroleum deposits only, except so far as a separate agreement may be made with Hagob Baghdassarian to act as agent general for the purchaser. When a petroleum company is organised it will be agreed between the parties hereto what personnel shall be necessary for the proper administration of the such petroleum company in Abyssinia and elsewhere.

12. The Petroleum Company when formed, shall have a capital in Ordinary shares and may also issue preferred shares or debentures. The Ordinary shares shall be allocated as to 75% to the Purchaser or his nominee and as to 25% to the Concessionaires. The Purchaser's share shall be paid for in cash at par but against such payment shall be allocated all the preliminary expenditures including the £25,000 (Twentyfive thousand) as above plus interest at 7%. The 25% of shares issued to the Concessionaires shall be issued as fully paid.

13. It shall be theprivilege of the Purchaser to transfer his interest in the Petroleum Concession and also later in the Petroleum Company to a nominee who may be an American citizen or a British subject or company, but he may not under any conditions transfer such interest to any Government authority.

14. In forming the above petroleum company it shall be under American or English law with such modifications as will enable it to operate without undue restrictions in the country of Abyssinia.

INWITNESS whereof the several parties hereto have set their hands and seals to this Agreement of which this copy is original.

Dated at London April 30th 1920.

Witness to Signatures of
Concessionnaires.
(Sgd) James B.Hack,
36, Queen Anne's Gate,
London.S.W.Eng.

(Sgd) Hagob Bagdassarian (LS)
(Sgd) H.H.Topakyan (LS)
"Concessionnaires."

Witness to signature of
Purchaser
(Sgd) Johannes Semerdulashia

(Sgd) Chas E.Dudley (LS)
"Purchaser"

MEMORANDUM OF AGREEMENT made this Eighth day of July One thousand nine hundred and twenty BETWEEN CHARLES EDWIN DUDLEY (hereinafter called "the Assignor") of the one part and THE ANGLO-AMERICAN OIL COMPANY LIMITED of 36 Queen Anne's Gate London S.W. (hereinafter called "the Company") of the other part WHEREAS an Agreement dated the Thirtieth day of April One thousand nine hundred and twenty has been entered into between H,H.Topakyan of New York U.S.A. and Hagob Baghdasarian of Addis-Ababa Abyssinia of the one part and the Assignor of the other part a copy of which Agreement is contained in the Schedule hereto AND WHEREAS Clause thirteen of the said Agreement provides that it shall be the privilege of the Assignor to transfer his interest in the Petroleum Concession referred to in the said Agreement and also later in the Petroleum Company also referred to therein to a nominee who may be an American citizen or a British subject or Company but he may not under any conditions transfer such interest to any Government authority NOW THEREFORE IT IS AGREED AS FOLLOWS that in consideration of the indemnity by the Company hereinafter provided for the Assignor hereby absolutely assigns and transfers to the Company all the benefits of the said Agreement and of all remedies for enforcing the same and the Company hereby agrees with the Assignor to perform and observe all the conditions and stipulations contained in the said Agreement and to indemnify him from all actions proceedings damages costs expenses claims and demands by reason of the Company's non-performance or non-observance thereof

THE SCHEDULE above referred to.

AN AGREEMENT made in London April 30th 1920 between H.H.Topakyan located in New York and HAGOB BAGHDASARIAN of Addis-Ababa, Controller of Mint in Abyssinia of the one part hereinafter known as the "Concessionaires" and CHARLES EDWIN DUDLEY an American Citizen in London of the other part hereinafter known as the "Purchaser" for the purpose of developing the Petroleum part of a certain concession granted by the Abyssinian Government to Hagob Baghdasarian, and which he guarantees as being in full force and validity at this date, whereby he is permitted to search, exploit and extract minerals, in the Province of Harrar Dajazmath Taffan's Province such as Copper, Tin, Lead, Iron, Petroleum, Coal (from those places not occupied by any other concession holder), such concession being valid for 50 years (fifty years) from August 26th 1915 but work on such concession to be commenced within 5 years (five years) that is not later than August 26th 1920.

1. A translation of such concession furnished by Hagob Baghdasarian from the Alnharic and guaranteed as a correct translation, is attached to this Agreement and signed by both parties as forming part of same.

2. The manner in which the "Concessionaires" and the "Purchaser" are to operate the concession in the first instance is as follows :-

3. The "Purchaser" undertakes as soon as it is possible under present conditions of travel and transport, to send

to/

to Abyssinia a competent Petroleum Engineer, together with such machinery for boring and other similar apparatus as may be quickly obtainable for the purpose of beginning work under the Petroleum part of the said concession.

4. The "Purchaser" undertakes to expend a sum up to a total of but not exceeding £25,000 (Twentyfive Thousand) in an effort not only to commence work for the protection of the Petroleum part of the said concession rights, but also to earnestly endeavour to bore and otherwise win Petroleum under the concession at such place or places in Abyssinia, as may be indicated by Hagob Baghdasarian or H.H.Topakyan or other duly authorised representative of the "Concessionaires".

5. In view of the expenditure to be made by the "Purchaser" as above, and in consideration of this Agreement, the "Concessionaires" agree that the "Purchaser's interest or share in the Petroleum deposits that may be located or Petroleum that may be produced or found shall be 75% of same in quantity or value and the "Concessionaires" interest or share shall be 25% of same, all after payment to the Abyssinian Government of 8% of such quantity or value as provided for in the original concession, and the "Concessionaires" further undertake to do any or all things necessary to make valid in a legal way the "Purchaser's" interest in the Petroleum concession as being 75% of the total as above, either before the Abyssinian Government or American Consul at Addis-Ababa or elsewhere, or both, and further for the purpose of confirming or obtaining an extension of the grant of the concession as the "Purchaser" may require.

6. It is distinctly understood and made part of this Agreement that the 25% share in the Petroleum rights under the concession, representing the interest of the "Concessionaires", shall not be sold or otherwise disposed of or compromised in any way, by either Hagob Baghdasarian or H.H.Topakyan separately or jointly without the "Purchaser" under the Agreement having a first refusal to purchase such rights or interest that the "Concessionaires" may wish to sell or otherwise part with.

7. The "Concessionaires" shall, as far as their influence and power will permit, facilitate all operations and endeavours that may be made by the "Purchaser" to begin work under the Concession as above, including the obtaining of all the permits from the Abyssinian Government or local Rase for Rail Transport from the Port of Jibuti, including the clearance of Machinery, Tools, Supplies, Personnel, Baggage, Equipment etc, the furnishing of the necessary Caravans, Mules, Camels, Horses, Oxen, building material and Labourers, at times and places as may be required by the "Purchaser" for the proper and economical carrying out of the work. The expenditure by the "Purchaser" of £25,000 (Twentyfive Thousand) as above shall include all expenses of every kind including Rail and Ocean Freight and Charges on Machinery, Tools and other material necessary for the work together with the expenses of any Personnel sent from England for the purpose of the Petroleum concession. Also cost of Personnel, Labourers, Cattle and all material used, also the Salary of any Controller to be furnished

by/

by the Abyssinian Government as stipulated in the original concession.

8. It is distinctly understood, however, that no expense of any kind may be incurred for account of the Petroleum Concession without the express consent of the "Purchaser" or his representative and that if agreed by him such expenditure shall be considered part of the £25,000 (Twentyfive thousand) as mentioned above.

9. It is a further condition that if the "Purchaser" or his representative, decide that the prospects of discovering or winning Petroleum under the concession, are not sufficient to justify any expenditure beyond this £25,000 (Twentyfive thousand) as above, they may cease work and withdraw their Plant, Machinery and Personnel, and dispose of same by sale or otherwise or ship same out of the country as they may deem necessary, without any further obligation on the part of the "Purchaser" to the "Concessionaires" or the Abyssinian Government or local Rase.

10. In the event that the efforts of the "Purchaser" to discover or win Petroleum meet with results justifying a further expenditure beyond the said £25,000 (Twentyfive thousand), then a separate Petroleum Company shall be established for the development of the Petroleum side of the Concession.

11. The "Concessionaires" will bear any expenses of their representatives up to the time when a separate Petroleum Company shall be establishedfor the purpose of dealing with the Petroleum deposits only, except so far as a separate Agreement may be made with Hagob Baghdassarian to act as Agent General for the "Purchaser". When a Petroleum Company is organised it will be agreed between the parties hereto what Personnel shall be necessary for the proper administration of the such Petroleum Company in Abyssinia and elsewhere.

12. The Petroleum Company when formed, shall have a Capital in Ordinary Shares, and may also issue Preferred Shares or Debentures. The Ordinary Shares shall be allocated as to 75% to the "Purchaser" or his nominee, and as to 25% to the "Concessionaires". The "Purchasers" share shall be paid for in cash at Par but against such payment shall be allocated all the preliminary expenditures including the £25,000 (Twentyfive thousand) as above plus interest at 7%. The 25% of Shares issued to the "Concessionaries" shall be issued as fully paid.

13. It shall be the privilege of the "Purchaser" to transfer his interest in the Petroleum Concession, and also later in the Petroleum Compahy to a nominee who may be an American citizen ora British subject or Company, but he may not, under any conditions, transfer such interest to any Government authority.

14. In forming the above Petroleum Company it shall be under American or English Law with such modifications as will enable it to operate without undue restrictions in the country of Abyssinia.

IN/

IN WITNESS whereof the several parties hereto have set their hands and seals to this Agreement of which this copy is original

Dated at LONDON April 30th 1920.

Witness to Signature of "Concessionaires"

Sgd. James S. Hack
36 Queen Anne's Gate,
London,S.W. Eng.

Sgd. Hagob Baghdassarian.

Sgd. H.H.Topakyan.
"Concessionaires"

Witness to Signature of "Purchaser"

Sgd. Johannes Semerdjibashian.

Sgd. Chas. E. Dudley.
"Purchaser"

THE COMMON SEAL of the Anglo-American Oil Co.Ltd. was hereunto affixed in the presence of

Sgd. F.E.Powell
Director.

Sgd. A.H.Hewett
Secretary.

SEAL.

SIGNED by the said Charles Edwin Dudley in the presence of

Sgd. T.Bourhill, Secy,
36 Queen Anne's Gate,
S.W.1.

Sgd. Chas. E. Dudley.

The Lion of Judah hath conquered, Zawditou Queen of Queens of Ethiopia, We Ras Taffari Heir Apparent to the Throne of Ethiopia have granted Mr.Hagob Baghdassarian the following Concession:-

Article 1.

The Abyssinian Government had granted Mr.Hagob Baghdassarian permission to search for minerals and oil in the half Province of Harrar, commencing from 1-th of August 1912 /7th August 1920 / for a period of /50/years. The division of the said Province of Harrar to be made according to an Agreement between the Abyssinian Government and the Abyssinian Corporation, Limited. The Abyssinian Government will not grant any further concessions to other parties in the said half of the Harrar Province for the purpose of searching for minerals, such as: gold, silver, diamonds, precious stones, copper, iron, tin, sulphur, coal and oil during a period of fifty years. After the expiration of the 50 years mentioned above, Mr.Baghdassarian shall have no right to claim any further prolongation of the said Concession on the ground of not having fully developed the mines. In theevent of Mr.Baghdassarian being found using his concession for political purposes, his concessionwill be cancelled forthwith.

Article.2.

Beginning with the 1-st of August 1912/7-th August 1920/ and for a period of 5 years, Mr.Baghdassarian is hereby authorised to prospect for minerals and oil in the said half of the Harrar Province. In the event of any minerals or oil being found, Mr.Baghdassarian is bound to notify the Abyssinian Government inwriting aboutthe location of the mines, giving the length and width of same and producing the plans. After having produced this notice he is permitted to import themachinery and commence work. Should Mr.Baghdassarian fail to produce this notice to the Abyssinian Government from date of issue of this concession and up to a term of 5 years allowed for prospecting and will have brought in the machinery to start working with, then this concession will be cancelled.

Article 3.

After the prospecting has been completed in the half of Harrar Province, Mr.H.Baghdassarian is permitted to import all materials and machinery necessary for the mining work, such as: tools, machinery, chemicals for mining purposes, house equipments, dynamite and powder free of Custom duty, providing the goods are examined before leaving the Custom House. In the event of prohibited articles being found among the equipment by the authorities and the same be confiscated, then the Concession shall be cancelled forthwith. In the event of some of the Company's men being detected concealing arms by the Government Officials they shall be discharged from their work, but in this case the concession will remain in force, whereas smuggling merchandise will be charged, when detected, at double duty rates. The Abyssinian Government does not take any responsibility for any damage caused by explosions and in theevent of inadequate precautions being taken in storing dynamite and powder, Mr.H.Baghdassarian is solely responsible for all the damage done.

Article 4.

Mr.H.Baghdassarian has the right to engage Chief Engineers and skilled workmen from abroad, but is not permitted to employ foreign unskilled labour, unless local labour is found to be useless for the work. The said H.Ba hdassarian is to notify the Abyssinian Government in writing of the exact number of Chief Engineers and skilled workmen and must submit their names. Should some of the names be omitted in the lists, then Mr.H.Baghdassarian is compelled to deport these men. In the event of quarrels between thenatives and the white men Mr.H.Baghdassarian shall deport the individuals concerned and will stand responsible for their actions.

Article 5.

Should Mr.H.Baghdassarian locate any minerals on private properties, he has first to compensate the owners and can thereupon proceed with: bringing in the machinery, building houses for the workmen and is permitted to extract lime, water, sand, wood, and stones necessary for his work. In such cases a yearly rent has to be paid to the

land owner, which shall be fixed by Arbitrators appointed by the Abyssinian Government and Mr.H.Baghdassarian's rights shall be respected by both parties.

Article 6.

While extracting minerals in half of the Harrar Provinces and in the event of antiquaries being found, Mr.H.Baghdassarian is compelled to surrender these immediately to the Abyssinian Government without claiming any compensation or expenses. Upon ceasing work at any mine, Mr.Baghdassarian is obliged to fill up all excavations when possible and will then cede the land to the owners; whereas, when the excavations are too large to be filled up, heis bound to surround them by barbed wire fences,

Article 7.

H.Baghdassarian is not permitted to extract minerals or oil from properties owned by Churches, Cemeteries, Monasteries, Palaces, Market places, Fortresses, roads or railway lines, whereas, be it understood, that should a dispute arise in this direction, all disputes shall be settled by the Abyssinian Government's "DANIA".Judge.

Article 8.

H.Baghdassarian is entitled to engage for payment any number of Zabagnas from the Abyssinian Government for protection of his mining interests; the headman, "SHAMBEL" to receive 100 dollars per month, the "MUTO ALAGA" to receive 50 dollars, the "AMSA" 30 dollars, abd a "ZABAGNA" /soldier/ from 10 to 15 dollars per month. This rate to be reconsidered in case of famine in the Country between the Abyssinian Government and Mr.H.Baghdassarian. All "ZABAGNAS" to be under control of their "SHAMBEL", or Chief. In the event of H.Baghdassarian failing to take a sufficient number of ZABAGNAS" for protection and should any accidents occur to the party, the Abyssinian Government will not hold itself responsible for same.

Article 9.

All minerals found by H.Baghdassarian, with the exception of oil, will be subject to a royalty of 8% in favour of the Abyssinian Government and no other duties wil be charged. Should the Abyssinian Government decline to take any of the minerals in raw state, H.Baghdassarian is then permitted to export and sell them in any country as his own property, and is obliged to refund the proceeds of the sale, less freight and other expenses to the Abyssinian Government. In the event of the Abyssinian Government being desirous to purchase some of the minerals for its own use, it reserves the right of purchase at 3%/three per cent/ under the market price of Europe and less freight charges from Europe to Abyssinia.

Article 10.

In the event of oil being found in the half of Harrar Province by H.Baghdassarian the Abyssinian Government shall receive 10% of same, and then the oil may be exported by pipeline or otherwise. H.Baghdassarian is not permitted to lay any pipelines over the boundaries of the Abyssinian Frontiers. He is permitted to sell oil in Abyssinia to the population and to the Abyssinian Government at the market prices ruling in Adis Ababa, and to export oil to other countries.

Article 11.

In the event of H.Baghdassarian requiring water for his workings, which will be derived from private properties, he shall make arrangements with the respective landowners. No payment shall be made while laying pipelines and drilling for water on Government lands, with exception of lands that are used by the Government, when a special arrangement will be agreed upon, upon payment to the Abyssinian Government. In the event of river and spring water being used, H.Baghdassarian shall not infringe upon the rights of the natives.

Article 12.

The Abyssinian Government will appoint on Chief Controller and several Under-Controllers, who will be given power to examine all work completed in the half Province of Harrar allotted to H.Baghdassarian. These Controllers shall have power to take copies of accounts, to examine

all work, plans, books, and accounts without hindrance on the part of H. Baghdassarian. The salary of the Chief Controller shall be paid by Mr. H.Baghdassarian from date of Concession to date of expiration of same, whereas, the Under Controllers shall receive payment commencing from dates when work will be started. The Chief Controller shall receive a salary of 200 dollars per month and each Under Controller a salary frm 50 to 80 dollars per month. All salaries to the Controllers to be paid to the Abyssinian Goverment and not to the Controllers. Should anything go wrong with the working of the mines, the Controllers have no power to interfere, but are to report the matter to the Abyssinian Government, who will cause an inquiry to be made. If mines should be located closely to one another one Under Controller shall be appointed for both mines, but if the mines be far apart a separate Under Controller shall be appointed for each one.

Article 13.

H.Baghdassarian is permitted to build roads for transportation of machinery, tools and all minerals exclusively inthe Province of Harrar and is not allowedto construct railway lines. Furthermore, H.Baghdassarian is permitted to build bridges and fill up ditches whereever roads are required. Mr.H.Baghdassarian is not allowed to interfere with any rights given to the Railway Company. At the termination of the Concession the Abyssinian Goverrment reserves the right for itself to take over all roads, bridges, etc constructed by H.Baghdassarian without payment of any compensation. It is also understood that the Abyssinian Goverrment and the natives can make use of all the roads constructed by H.Baghdassarian without payment. In the event of roads passing over private or cultivated land, Mr. H.Baghdassarian has to come to some understanding with theland owners, by payment or otherwise and has to obtain permission from the Abyssinian Goverrment.

Article 14.

According to Articles of this concession should H.Baghdassarian encounter trouble with the natives and native labour, all these

questions shal be settled by the Abyssinian Goverrment, and not by Foreign Powers. H.Baghdassarianis hereby bound to respect the Abyssinian Laws until the termination of this concession.

Article 15.

After a company has been formed either for minerals or oil, H.Baghdassarian is bound to produce a written statement to the Abyssinian Government, showing the Company's working Capital and giving the names of the Chief engineers and skilled workmen employed by the company. The Abyssinian Government after having examined the above statements reserves itself the right to cancel or change any of the Articles of this Concession. Shoudd any Abyssiniansdesires to become shareholders in the company they are at liberty to do so. In the event of H.Baghdassarian forming a council for mineral work, the Chief Controller appointed by the Abyssinian Government will be permitted to take a seat on same.

Article 16.

The Abyssinian Government does not per it H.Baghdassarian, without previously obtaining the Governments consent to sell, give away or to mortgage for debt this present concession. Should he be found doing so, this Concession will b cancelled.

Article 17.

After the expiration of the said Concession, the Abyssinian Government and H.Baghdassarian will appoint three Arbitrators each and one "DANIA"/Judge/ to value theinventory of the mineral and such oil companies. In the event of the Abyssinian Governments desire to purchase the whole or part of same, the Government reserves itself the right to do so at half the valuation, however, should this be undesirable, Mr.H.Baghdassarian is then permitted to remove the whole of the property.

Article 18.

This concession is made in two copies, one of which is retained by the Abyssinian Government, the other by Mr.H.Baghdassarian.

Article 19.

All oil which may be found in thehalf Province of Harrar allotted to Mr.Baghdassarian and referred to in Article 10 of this concession, is to

be worked for by the Anglo American Oil Company, Limited, according to an Agreement made in London between the said Company and Mr.H. Baghdassarian.

Signed and sealed by Ras Taffari and the Queen Zawditou.

AN AGREEMENT

The Abyssinian Government having granted in due and legal form two Concessions for the prospecting and extracting of minerals and oil in the Province of Harrar, Abyssinia, to the Abyssinian Corporation Limited, party of the first part; and to H.H.Baghdassarian associated with the Anglo-American Oil Company Limited, as party of the second part; the said parties of the first and second parts have met and made the following agreement as to the respective portions of the said Province in which each of the said parties of the first and second parts, respectively, shall carry out the purpose for which the Concession has been granted; and,

WHEREAS, the concession granted to the said Abyssinian Corporation, Limited, party of the first part, states that the said party of the first part shall have that portion of Harrar Province known as the eastern half; and,

WHEREAS, the concession granted to the said H.H.Baghdasarian and the Anglo-American Oil Company, Limited, associated as the party of the second part, states that the said party of the second part shall have the remaining portion of Harrar Province which would obviously be the western half of said province; and,

THEREFORE, be it agreed between said parties of the first and second parts that the said Province of Harrar be divided on the British Topographical Map, a photograph of which is attached, into an eastern and western half by a line beginning on or about the 11°30' parallel of north latitude at 41°30' east longtitude, and extending due south to a point on or about 9°30' north latitude, and thence generally in a south easterly direction to the center of a straight line connecting Arran Arrhe and Imi, thence in a straight line to the center of the Italian Somaliland-Harrar boundary at or about 6°20' north latitude and 46° east longtitude; but be it further understood,

THAT,/

THAT, the said parties of the first and second parts agree that the said party of the second part shall have the exclusive right to prospect for and extract oil from that part of the above defined eastern half of Harrar Province which lies north-west of a straight line connecting Arran Arrhe and Imi, excepting a strip 10 kilometers wide which parallels the Harrar Province - British Somaliland frontier and the Harrar Province - French Somaliland frontier as far as the railroad; and,

THAT the said party of the first part shall have the exclusive right to prospect for and extract oil from that part of the western half of Harrar Province which lies south east of a straight line connecting Arran Arrhe and Imi; and, be it further understood,

THAT nothing in the two sections of this Agreement immediately preceding shall in any way prejudice the exclusive right of the two parties of this agreement to prospect for and extract all minerals other than oil in the eastern and western halves of Harrar Province, respectively, as divided and as covered by their respective concessions.

IN WITNESS WHEREOF the several parties hereto have set their hands and seal to this AGREEMENT at Addis Ababa, Abyssinia, this 20 day of August 1920.

Signed for and on behalf of Abyssinian Corp. Ltd.

Witnessed by: C. REY (Seal)

Signed for an on behalf "The Anglo-American Oil Company Limited.

H.M.Consul at S.W.SHEPPERSON (Seal)

Adis Ababa, Abyssinia. HH.BAGHDASSARIAN (Seal)

F.

From Ras Taffary to Mr. Hagob Baghdassarian.

Mr. Hagob Baghdassarian greetings to you.

In order to exploit the minerals of Harrar Province, especially those of the part of the concession given The Abyssinian Corporation, The Anglo-American Oil Company shall not be prevented by the Abyssinian Corporation, according to the terms of the agreement you made with this last, from exploiting oil solely in the part of their concession.

On the other hand, the Abyssinian Corporation shall only search oil and exploit oil in the exchanged part of your concession, as per terms of the said agreement. So, if another body comes in place of the Abyssinian Corporation or this last to exploit the oil of your said part, you shall not prevent such body or the Abyssinian Corporation from doing so.

Dated Yekatit (February) 9th 1913 (1921)

Signed Crown Prince of Ethiopia

Ras Taffary.

TO ALL TO WHOM THESE PRESENTS MAY COME

G R E E T I N G :

BE IT KNOWN, that I, the undersigned HAIGAZOUN H.TOPAKYAN of Morris Plains, New Jersey, for good and valuable consideration to me in hand paid, receipt whereof is hereby acknowledged do for myself, my heirs and assigns, transfer, set over and assign unto ALAISTER McKELVIE of Duckyles Park, East Grinstead, Sussex, England, all my right, title and interest in and to a certain agreement made by me with HAGOB MAGHASSARIAN, dated the 28th day of November, 1919, by the terms of which agreement the said Baghdassarian did transfer to me half his right in and to the HARRAR CONCESSION; and furthermore, all the right, title and interest which I may have in the said HARRAR CONCESSION by reason of said transfer from said Baghdassarian to me, said HARRAR CONCESSION being a grant from the Abyssinian Government to the said Baghdassarian of certain rights with respect to the Province of Harrar Dekazmatch Taffan's Province, and being under date of the 26th of August 1915; and furthermore, all of the right, title and interest which has accrued or shall accrue to me by reason of a certain contract made by me in London, England, on the 30th day of April 1920, with the said Baghdassarian and with one CHARLES EDWIN DUDLEY in respect to the said HARRAR CONCESSION; and furthermore I do transfer, set over and assign unto the said McKelvie all of the right, title and interest whatsoever which I may have in and to any Abyssinian Concession from the Abyssinian Government directly or indirectly by mesne transfers.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 23rd day of February 1921.

(Signed) HAIGAZOUN H. TOPAKYAN (L.S.)

STATE OF NEW YORK, COUNTY OF NEW YORK, ss.

On this 23rd day of February 1921, before me personally appeared HAIGAZOUN H. TOPAKYAN, to me known and known to me to be the individual described in and who executed the foregoing instrument, and he thereupon duly acknowledged to me that he executed the same for the purpose therein set forth.

(Signed) JOHN WARREN HILL,

Notary Public, Bronx County, No.29
Certificate filed in New York County,
No.392 New York County Register No.2288.
Term expires Mar.30,1922.

Notary's seal.

BRITISH CONSULATE GENERAL, NEW YORK, USA.

I certify that the above are the Signature and Seal of John Warren Hill a Notary Public for the County of Bronx State of New York, U.S.A., this Twenty fourth day of February 1921.

For the contents of this document His Britannic Majesty's Consulate General assumes no responsibility.

W.F.JAMES,

British Pro Consul.

Consulate Seal

Cancelled
5/- Stamp.

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN TRADE ADVISER

SECRETARY'S SECRETARIAT
JUN 6 1921
DEPARTMENT OF STATE

MEMORANDUM

June 2, 1921.

Mr. Dearing:

This account of the Dudley expedition to Abyssinia deals almost entirely with geological observations and details of the expedition's work. You will find the conclusions summed up on pages 16 and 42.

acm

Shown to Mr. B. L. Johnson
1 Encl. 6. 8/17/21. acm

File Memo

ACM:MBM

ASSISTANT SECRETARY
MAY 2 1921
DEPARTMENT OF STATE

Confidential 174
Handed to Mr Deering
by Mr F E Powell of
the Anglo American Oil Co.
when he called with
Mr James Hamilton
5-27-21.

INDEX BUREAU
Rec'd
JUN 1 1921
Dept of State

Office of Foreign Trade Advisor
Filed
JUN 2 1921
DEPARTMENT OF STATE

file

THE DUDLEY EXPEDITION TO ABYSSINIA.

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JUN 7 1921

Expedition
May 29-1920, March 29-1921

Report
Barnum Brown, Geologist.
London, May 12-1921.

SCOPE OF WORK, MULE CARAVAN, ROUTE (Maps).

In view of the meagre geological information available at the time of our departure, May 29th, 1920, it was necessary to plan for a thorough study of the rocks in the Harrar Province - the deformation of strata and location of well sites if any existed on the plains - relation of Harrar Province to adjacent areas and effects of Continental movement on oil accumulation - most efficient method of developing oil fields if existant.

Incidentally, I was to determine if there were any probable mineral deposits or other undeveloped resources in the Harrar Province that could be turned to account.

Mules and horses were purchased, and men hired at Adis Ababa because the highland type of each is preferable and range of choice greater. They were shipped to Dire Daona, the starting point of the Caravan, where Major Rooney had established headquarters.

Thanks to most liberal support and thoughtful provision of supplies by Directors and Assistants, our Caravan was supplied with every necessity and most luxuries.

Rarely has a caravan so well equipped and with such convenience ever trekked through Africa.

A mule caravan with black servants is like an appetite, it continually grows and is difficult to curb.

We finally started with 40 mules, 2 horses and a shifting body of servants and soldiers usually 40-50.

With a man leading each mule, riflemen and white men strung out in single file, our caravan was an imposing spectacle and a great event where we travelled.

Winding over mountain sides, up and down deep canyons, through strange plant life and native conditions our journey was one of fascinating interest that I should like to describe were it not for the engrossing geological data.

The journal was kept by Capt. Moon, except on camel caravans where I was usually the lone white man.

We first traversed the highlands where upturned edges and remnants of sedimentary rocks, flanking the mountains, allowed critical study going as far west as necessary to obtain a complete series of formations.

We then proceeded eastward along the highlands and out on to the plains, finally completing field work by short camel treks into the desert. After caravan work was finished the traverse was completed by auto from Hargeisa to the Coast.

The routes, camps and stations may be seen on accompanying maps with deductions in the following pages.

Other data relating to the Harrar Concession will be given in another communication.

E L E V A T I O N S A N D I T I N E R A R Y.

The following barometrical measurements were taken at different times of day, but checked by more than one reading, and are corrected from a sea reading of instrument. All were taken during the dry season when atmospheric conditions were fairly uniform.

Camps (Map)	Stations.	Elevation.	Encamped.
	Dire Daoua	3890 ft.	
1.	Haramaya	6675 ft.	2 days
2.	Sofi	6090 ft.	7 days
3.	Bogo	4950 ft.	1 night
	Waha River Crossing	4160 ft.	
4.	Jimabero	5500 ft.	1 night
	Barzala Spring	4950 ft.	
5.	Dogou	6650 ft.	7 days
6.	Grga	8100 ft.	5 days
7.	Modjo	5100 ft.	3 days
8.	Danaba	5000 ft.	1 night
9.	Ganame (Annia Galla)	6415 ft.	6 days
	Ramis River	3750 ft.	
10.	Budame (Annia Illikou)	7140 ft.	1 night
11.	Karaharmot	8310 ft.	1 night
12.	Amaja	8010 ft.	4 days
13.	Gobelle	5175 ft.	1 night
14.	Hamaressa	6175 ft.	1 night
	Harrar	6100 ft.	
15.	Mohamedally's Garden (Harrar)	5900 ft.	7 days
16.	Dagadera	6220 ft.	1 night
17.	Fiyambero (Bouscum)	6500 ft.	2 days
18.	Adow	5925 ft.	1 night
19.	Djidjiga	5400 ft.	6 days
20.	Gotchar (Girri)	6760 ft.	1 night
21.	Darimi	6610 ft.	3 days

Camps (Map)	Stations.	Elevation.	Encamped.
22.	Gotchar	6815 ft.	6 days
23.	Djidjiga	5400 ft.	8 days
24.	Adow	5925 ft.	1 night
25.	Fiyambero	6500 ft.	2 days
26.	Erer River	5250 ft.	15 days
27.	Komboltcha	7200 ft.	2 days
28.	(near) Abou Foulam	6000 ft.	1 night
29.	(near) Gelmaharis	5050 ft.	1 night
30.	(near) Ejara	5250 ft.	1 night
31.	Hargeisa	4353 ft.	6 days
32.	Dabolak	4425 ft.	1 night
	Darka Yogol	4860 ft.	
33.	(near) Debiylouein	5115 ft.	1 night
34.	(near) Debile	5250 ft.	1 night
35.	Mt. Harrhe	5970 ft.	
36.	Djidjiga	5400 ft.	1 night
37.	Santhala	5100 ft.	1 night
	Mt. Konduro	11000? ft.	
	" " top of sedimentaries	8000 ft.	
38.	Dagadera	6220 ft.	1 night
39.	Near Dire Daoua	3600 ft.	2 days
40.	Near El Bah	2850 ft.	1 day
41.	Metto	2500 ft.	1 day
42.	El Bah	3000 ft.	1 night
43.	Addagalla	2600 ft.	1 night
44.	Gorgour		1 night
45.	Gomish	2165 ft.	1 night
46.	Near Gouhan	1600 ft.	1 night
47.	Lava field		1 night
48.	Lava field		1 night
	Takale (hot spring)	2050 ft.	
49.	Debu (Pleistocene lake)	2000 ft.	1 night

Camps (Map)	Stations.	Elevation.	Encamped.
50.	Domboshe Bead	2200 ft.	1 night
51.	Addagalla	2600 ft.	1 night
52.	Biya Kaboba	3000 ft.	4 days
	Mt. Aiya Makkeran	3950 ft.	
53.	Lassarat	2400 ft.	1 night
	Goldahamid (Camel Corps H.Q.)	4860 ft.	
	Upper Sheikh	4600 ft.	
	Lower Sheikh	2350 ft.	
	Herkasalada	1650 ft.	

GENERAL GEOLOGICAL EVENTS IN NORTHEASTERN AFRICA.

Africa is one of the oldest of the land masses and the most profound event in its history is the Great Rift. East Africa, Arabia and India were at one time included in a great continent which some geologists think extended from Australia to Brazil. Suffice it to say that it lasted through the Carboniferous, Permian and at least a part of the Triassic periods for no marine strata belonging to those divisions are found on the mainland of tropical Africa.

During the next succeeding periods, the Jurassic and Cretaceous, this former continent began to break up and the sea invaded the coastlands of India and East Africa. The Jurassic deposits were laid down quietly, but the world-wide earth movements during Cretaceous times, and the foundering of the floor of the Indian Ocean caused volcanic outbreaks on a colossal scale.

This led to the encroachment of the Arabian Sea and the outline of the present land masses with a depressed area of fresh water lakes crossing Africa into Palestine. A portion of eastern and northern Africa was again below ocean level during the Eocene.

Then occurred the great Rift that caused the Red Sea and the continuance of this movement formed the striking topography of Abyssinia and the chain of lakes to the southward in eastern Africa.

Not all of the Red Sea trough was invaded by water. Through the lines of weakness, lavas poured forth inundating a part of the depressed land, the eastern part of Abyssinia, and to a lesser degree the western part of Arabia.

These events were in the main not of cataclistic nature but continued over long periods of time as we measure it today. In Abyssinian Donkaliland and French and British Somaliland there are many volcanoes and lava flows of succeeding dates overlapping, and superimposed, and of quite different constituency. They date from Oligocene to Pleistocene in age and indeed there are still some signs of present activity. I examined three groups of very hot thermal springs in Donkaliland and there is one smoking volcano five days march northwest of Addagalla.

Each succeeding earth torsion has caused a further cracking along the old line of weakness and a fresh inundation of lava over the depressed areas, thus completely submerging all remnants of the older sedimentary strata of Mesozoic age in eastern Abyssinia.

On a map of Abyssinia and Arabia will be seen a part of the area covered by these events in which we are at present interested. Northward the Red Sea maintains an average width until it reaches a point opposite Massawa Eritrea from which point it contracts southward to the narrow outlet through the Straits of Bab-el-Mandeb into the Arabian Sea.

In Abyssinia a high range of mountains extend southward from Massawa to Ankober, not parallel to the sea, but to the west coast of Arabia. Another fairly high range of mountains extend eastward from the Hawash River to the Gulf

of Aden east of Berbera parallel to the south coast of Arabia.

That part of the continent enclosed by the mountains and the sea is the widest mainland portion of the Great Rift now for the most part submerged by lavas. The displacement here is enormous. Where I have been able to measure it on the remaining fragments of sedimentary rocks near Dire Daoua it is more than 4,000 feet, Northward doubtless much greater. Eastward in British Somaliland the displacement is less.

Rivers flowing over this depressed area never reach the sea but are lost in the fractured strata below the lavas. Likewise all hydrocarbons, either oil or gas, that may have been contained in the sedimentary rocks below have certainly leaked away.

This definitely eliminates that part of the Harrar Province north of the railroad as well as French Somaliland from further consideration for oil and brings us to a consideration of the remaining part of the concession.

T H E H A R R A R P L A T E A U.

The great tableland forming this plateau is bounded on the north by the Tchercher mountains and their eastward extension of exposed granite and igneous intrusions. Southward it slopes away into the unexplored Ogaden country. On the northeast and east it is bounded by intrusions.

During the formation of the Tchercher mountains there were volcanic outbreaks which formed the ranges of Ennia Galla and Gara Moulata, and Mount Kondura.

Granites and their complexes form the floor of this table-land on which sedimentary strata were deposited when it was below sea level.

This plateau was below sea level during a part of the Triassic and all of the Jurassic periods. Two thousand feet of pure limestone were thus laid down in quiet waters in the western part of the area. Eastward near the present coast of British Somaliland the base of the Jurassic series show thin shale intercallations and it is in these shale areas that oil seepage occurs.

Near the close of the Jurassic period the entire Plateau as well as northwestern Abyssinia was elevated above sea level and has remained so ever since, excepting the portion east of the Djidjiga intrusives which again sagged below sea level during Eocene times.

Erosion has denuded the upper Jurassic strata from all of the western part of this area excepting a few remnants clinging to the mountains in Ennia Galla, Gara Mulata, and Kondura and rivers flowing southward have trenched steep walled canyons down to the granite bedrock.

In the western area the canyon walls are invariably of pure limstone strata resting on Triassic schists or on granites.

Any shales or cementing strata that may have originally covered this area has long ago been carried away and any hydrocarbons that may have existed have long since disappeared.

The strata are so normal and uniformly of limestone that I doubt if oil or gas has ever been formed there in quantity.

From the remnant strata fringing the mountains I estimate that the sedimentary series were originally 3500 feet thick. The upper 800 feet was composed of calcareous sandstone and friable limestone; the middle part 1100-1600 feet of hard canyon limestone; the lower part 500 ft. of schists and slates.

On the plains only the middle and lower part of the series remain, dissected down to granite by numerous canyons.

East of Djidjiga the Djerer River has eroded an open valley down to the granite in its upper reaches. The strata on either flank are lower Jurassic.

Between these exposures and the Abyssinian boundary and thence east across part of British Somaliland is an unbroken plain, the sagged portion of the plateau where occurs the Eocene

overlap. Its border on the Abyssinian side is not clear.

On the Erer River in British Somaliland these Eocene beds overly quartzites which are correllated with those overlying the upper marine Jurassic north of Dire Daoua, at Gran, and at Degou.

The sandstones and quartzites here mentioned may be of continental Jurassic age or they may be Cretaceous - no fossils were found in them. Certainly this thin member is all that remains to represent a long period of time intervening between the Jurassic and Eocene. Near Dire Daoua the quartzites and sandstones are 600 feet thick, but probably thin out in the eastern extension.

The Eocene beds of British Somaliland are probably quite thick at places. I examined full sections only on the north near Hargeisa and along the auto trail from Berbera to Hargeisa. The maximum thickness seen by me was 600 feet on the northern exposures.

The "Hoad" of the Ogaden country could not be examined on account of hostile natives. This immense area may throw new light on some of the successions but I feel confident that it cannot invalidate my interpretations of the main part of the Harrar Plateau nor vitiate my deductions as to the presence of oil where examined.

D O G O U S E C T I O N.

Three prominent eruptive peaks dominate the horizon in this area, being a continuation southward of the Gara Mulata range, which parallels the Ennia Galla range and extends southward from the east-west Tchercher Mountains. These eruptives are undoubtedly more ancient than the sedimentaries and appear to be contemporaneous in age with Mount Kondure and the igneous chain near Djiggiga.

The sedimentary rocks are deposited on the base of these igneous peaks in a perfectly horizontal position, except for minor regional development, and it is only on the flanks of a few of the highest peaks that the extreme upper Jurassic appears. The sedimentaries are mostly limestones, with a few local exceptions. The upper zones are very fossiliferous and fossils are abundant near the village of Dogou, especially in the highest limestone exposures, ranging from 6,860 ft. down to 6,475 ft. The sub-divisions, determined generally on physical conditions, were measured according to the column below;

Character of Sediment.	Elevation.	Thickness.
Thin white Limestone	6,860 ft.	1 ft.
Alternating whitish yellow Limestone Clay; Lucina, Gryphaea, Terebratula, Ostrea		185 "
Thick limestone Strata		15 "
Fossil Zone: Lucina and Echinoderms		5 "
Clay alternating with thin limestone		20 "
Red Lucina and Gryphaea Zone: Iron-stone		1 "
Alternating Clay and thin limestone	6,510 ft.	30 "
Ammonite Zone		45 "
Top of massive Canyon limestone	6,475 ft.	975 "
Bottom of do.,	About - 5,500 ft.	
	Total	1277 ft.

GRAN SECTION NEAR MOUNT GARAMONLATA.

Several irregular trap peaks of various heights dominate this area. Planes resembling stratification lines appear on all the higher flanks rising eastward 5 degrees like the sedimentary strata.

At the village of Gran under the church appears the highest sedimentary strata 300 ft. thick chiefly whitish chalky material at top, 10 ft. thick, which soon changes to coarse gravel and sand below carrying a large amount of iron; cliffs weather quite red. Below this phase of cliff exposures the cut faces of slopes show coarse sand and siliceous pebbles the size of pigeon eggs, cross-bedded and loosely consolidated. No fossils were found in these beds. The materials were evidently derived from some shore on the west, as no siliceous materials have been observed east of this point. This phase may be corellated with the sandstone quartzites north of Dire Daoua.

Below the sand strata on which it rests unconformably appears a white limestone cliff very compact and highly fossiliferous. On the hills of Gran this strata measures 120 ft. at thickest point and breaks off in blocks of huge dimensions some 30 ft. long and 20 ft. thick. The upper Ostrea zone is a nearly solid mass of shells 10 ft. thick in which appears Ostrea, Turritella, Glaucomya, Nerinea, Natica, Cidaris, Conoclypeus, Serpulids, and many casts of Pelecypods.

The upper highly fossiliferous zone is composed largely of Oyster shells which weather rapidly so that cliffs are ledged and rounded at top.

Middle layers are highly crystalline breaking in abrupt faces. Nerinea are abundant. Near base, strata softens, due to salts and undercliff water action. Two species of Cardia are abundant at base of cliffs 50 ft. below Ostrea Zone, also a few Terebratula and one Micraster were collected.

The faunal facies represented by the shells collected appears to be Cretaceous in age but there is a considerable admixture of forms. The zone is almost certainly post Jurassic.

Below this series are 345 feet of loosely consolidated sandstones slightly varigated in color, chiefly whitish and cross-bedded.

This is followed by 250 feet of calcareous limestone in ledges weathering in abrupt faces. Fossils were not well preserved and not yet identified.

Below this phase comes the richly fossiliferous Ammonite zone about 50 feet thick also prominent at Dogon and identified with the Ammonite zone north of Dire Daoua, at Gildessa and near Behan, British Somaliland.

The identified fossils secured from this zone at Dogon and Gran are Isocardia, Exogyra, Alectrygonia, Pecten, Ctenostreon, Perisphinctes, Aspidoceras Modiolus, Terebratula, Pelecypod? Lucina, Belemnites, Cidaris, Mytilus, Acanthothyris, Pygaster, Pygurus.

This assemblage appears to be Kimmeridgian and Portlandian in age.

The Ammonite zone merges insensibly into the compact canyon limestone below which forms the walls of most of the canyon in this area and which at this section is 1100 feet thick.

In the canyon below the limestones appears 575 feet of limestone and schistose slates probably of Triassic age, which rest on the granite.

The full section here measures 2,790 feet and is the most complete of any examined.

K U R F A T C H E L A S E C T I O N.

This section was taken on the north flank of the Gara Mulata Mountains flat topped basaltic peaks of an elevation of about 11,000 ft., contemporaneous with and almost equal in height to Mount Konduro east of Harrar. These mountains are composed of Trap rock in basaltic columns having the appearance of ledges at the base.

On the east side the highest limestone showing is at an elevation of 7,540 ft. It is stratagraphically below the Oxfordian, and the highest fossils determined consist of Terebratula, Turritella, and Corals. These beds step down on each side of the Gobele River, showing considerable clay, due chiefly to disintergration of the upper strata. In the lower measures occur the Lucina, or Corbula Zone, which has been observed so often over this entire area. In this section it also carries Turritella and Mytalids not well-preserved. The lowest 200 ft. of strata is composed of sandy thin weak layers, cross-bedded and concretionary, with quartz pebbles and rounded Feldspathic grains of disintergrated granite.

These beds are perfectly horizontal, excepting for regional movement and conform to the 5° dip eastward. The lowest stratified bed is apparently Jurassic, which at 6,100 ft. lies on granite, or in some places, as on a side trail up the Gobele River, on serpentine. There is an absence of Triassic strata. The river at this trail is cut down into the granite to barometrical measurement 5,175 ft., i.e., 1,000 ft. below the lowermost sedimentaries.

Near Hamaressa the base of the sedimentaries are reddish, and much thinner than on the Ramis River. The lower part may all be Triassic up to the firm limestone, in which case the maximum thickness on the west side of the Gobele River would be 250 ft. of Triassic strata. The lower sedimentaries break down into red clays seen for several miles west of Harrar.

D J I D J I G A S E C T I O N.

The little town of Djidjiga lies in an open plain east of the long low chain of eruptives that extend in a northwest southeast direction from Darimi to Lagahabour.

On the north, 15 miles away, are a series of six low eruptive peaks. On the east are a few ledges of undisturbed lower Jurassic strata, slightly rising to the eruptive ridges on the west. All eruptive rocks in this vicinity are pre-Jurassic in age. The Djerer River runs S - E parallel to the eruptive chain. Near Adow and Djidjiga the limestones flank the eruptive rocks lying in a horizontal position.

In the pass at one place there is a considerable mass of sandstone, columnar in structure, resembling lava, but composed of rounded quartz grains, not well cemented. In places this sandstone appears to be of quartzite. Opposite, on each side of the base, both above and below, are limestone strata lying horizontal, although there are a few spots that show local movement more than seen elsewhere. It would seem that this columnar sandstone had been slightly altered during the early Jurassic period, and is probably of Triassic age.

Toward the east of Konduro the Jurassic strata does not appear as thick as west of Harrar and Oxfordian and Kimmeridgian formations have not been observed. The limestones present are chiefly lower measures, which appear to be not over 1,600 ft. in maximum thickness. The full thickness is seen only where fringing the highest peaks and on the far distant plains eastward where the Eocene overlap occurs.

The chain of hills west of Djidjiga are eruptive rocks forming an ancient core with sedimentary rocks well up on their flanks in a horizontal position, and probably at one time before denudation completely covered by them. This series of hills is said to extend north-west south-east without interruption for 7 days travel into the Ogaden country as far as Lagahabour. These peaks evidently represent an extensive line of ancient weakness probably formed when this great land mass was submerged below the Jurassic Sea. During the Eocene submergence this was apparently the western border of the sea.

The limestone strata which lie to the east of the Djerer River, as well as those on the flanks of this range, are considerably more silicious than those to the westward and may have been derived in part from decomposed portions of these Igneous Hills.

On the first investigation I was doubtful if these beds were not of Cretaceous age, representing an enclosed sea of the Cretaceous period, especially in the vicinity of Mount Konduro, the villages of Illama, Jursom, Gortcha and Illingo. The sedimentaries in the vicinity of these villages may have been enclosed bodies of water as the sediments are 1,000 ft. thick at Gortcha, largely conglomeratic, highly fossiliferous and contain many strata of Fucoids and literal invertebrates. They are probably of Jurassic age.

K O M E B O L T C H A, O R E G O, S E C T I O N.

Only the lower measures of the Jurassic rocks remain in this vicinity. The lowermost, 100 ft. those immediately overlying the granite, are composed of yellowish white crystalline limestones containing Echinodermes and Phynchonella. This is followed by 250 ft. of coraline rock and Echinoderm spines, highly crystalline. The rock weathers into dog-tooth-like points, similar to the Jurassic of Cuba, very dense, compact and has a metallic ring. Above this horizon there are 150 ft. of chalky layers with some fully preserved fossils, Terebratula, Corbicula, Turritella, Echinodermes, Ostrea and gastropods as at Mount Hakim.

On the trail from Komebboltcha to Dire Daoua we passed along a high granite ridge separating the north and south drainage. In a pass called Au Nugus there are 100 ft. of horizontal stratified limestones and at the base of the sedimentaries, on the right and left are conglomerate boulders mingled with red decomposed granite clay. These conglomerates are composed of blue limestone of undoubted Jurassic age, changed to blue crystalline limestone through pressure. The association of these materials shows conclusively that the higher granite ridge was above sea level prior to the Jurassic period, probably during the Triassic. And that the Triassic sea invaded only a portion of the area.

At Tera Insha, a little further on, at an elevation of 7,100 ft., one looks down from the granite into the Dire Daoua basin, where the sedimentaries appear in fault-blocks of great dimension, all tipped, rising westward at various degrees, whereas the sedimentaries on top of the plateau side of the ridge are horizontal, or dipping northward at low degrees.

At this border of the plateau the displacement measures 4,000 feet.

H A R G E I S A S E C T I O N.

The Eocene section on the Erer River, British Somaliland, in the vicinity of Hargeisa, shows sedimentary strata 350 ft. thick at Naso Hablod, the two prominent limestone buttes about 6 miles north-east of the town. A distance of 20 miles eastward, down the Erer River, the strata appear to thicken to at least 600 ft. Northward they apparently disappear in isolated peaks at a distance of 25 to 30 kilometres.

Rocks of this age were first observed in the bluff at Lalisk, north of Dabolak. Everywhere the series rest on quartzites whenever the underlying rocks are exposed, as, for example, just north of the Wireless Station at the village and on the trail to Naso Hablod.

The upper 80 to 100 ft. is composed of strata that weathers in rather vertical faces, showing bands of similar materials that appear continuous. These upper beds form the borders of Erer River Valley and tributaries on the south, and the prominent hills on the north. They were first seen opposite Dij Quarabili on the Arabsio River, 30 kilometres west of Hargeisa. The entire thickness exposed is characterised by the abundance of hard chert, most pronounced in the upper 100 ft., which is probably the reason for the bold escarpments. Iron content is pronounced, and usually found in the badly preserved fossils, also surrounding the clear chert concretions. On close examination the hard calcareous part of these beds is frequently irregular. Filaments of very hard limestone mingle with soft chalk-like material, composed chiefly of Foraminifera. Quantities of salts are found in this upper strata in the soft places which, effervescing, leavens the lighter materials that are quickly blown away by the winds, or leached out by the rains; in consequence, there are frequent small caves in the faces of the upper strata, the roofs of which are lattice-like in appearance. Rarely do any of these strata continue far of the same materials, and it is my opinion that the present Erer River is somewhere close to the northern border of this Eocene Sea, or near shoal banks. Undoubtedly the chert was derived from the underlying quartzites.

The prominent hills near Diddlin River appear to be the most northern extent of this phase beyond which were seen Igneous peaks.

Hargeisa to Berbera.

This part of the section was completed by automobile at the end of the season hence observations were hurried.

The route follows an irregular course, for the most part away from exposures to Oadweina, 85 miles thence to Burao, 35 miles and up the Tug Der water course to Upper Sheikh, 40 miles. Most of this trail is through broken forest and so level that a Ford car travels 20 miles per hour without roads, simply a path cleared of aloes.

Near Oadweina a few escarpments appear, all of Eocene age as at Hargeisa and the trail passes over a well defined anticline about 6 miles from the water-holes. This appears to be a good site for a test well.

From Burao up the Tug Der there are no escarpments until near the head waters at Upper Sheikh where bold cliffs of Eocene conglomerates face the coast.

Near Goldahamid the camel corps headquarters, these beds were examined, and Eocene fossils common to the Hargeisa Section were secured. The section here is incomplete, base not seen, but measures over 400 feet in thickness.

From Upper to Lower Sheikh, six miles, we passed through the Igneous intrusion that seals in the eastern face of the Harrar Plateau and forms its eastern border.

The drop from Upper to Lower Sheikh is 2,250 feet.

The first Jurassic strata are encountered near Gelakor, huge fault blocks similar to those seen near Dire Daoua, and the road for nearly 25 miles passes through these faulted blocks.

The oil seepage at Herkasalada occurs in this shale intercallations at the base of the Jurassic series.

Near Behan Ammonites of Kimmeridgian Jurassic age were collected similar to those at Gram and Dogou, Abyssinia.

From Buste for 3 miles to the prominent cliff facing the sea are upturned strata not identified but which appear to be Jurassic and Eocene strata worked over and probably admixed with Pleistocene.

The striking feature in this section is the advent from Eocene conglomerates on top of the Plateau to the Intrusion without appearance of Jurassic strata between which means that the Jurassic strata on the Plateau side is sealed in by the intrusion.

This argues well for an oil accumulation under anti clinal flexures in British Somaliland.

The most feasible and economical development of oil in either British Somaliland or eastern Abyssinia would be by way of Berbera where there is an excellent port. The road is completed to Lower Sheikh and the section over the pass partly completed. Tractors can be used in its present state. On the Plateau the road is good.

A pipe line could be laid across any of this area and oil pumped to the port by a single station of small power.

N O R T H E R N A B Y S S I N I A.

I was unable to travel over other parts of Abyssinia outside of the Harrar Province, except on the railroad from Djibuti to Adis Ababa, hence the following observations are deduced from the reports of other travellers compared with Harrar Province and British Somaliland, personally known to me.

Mr. Burton, the Geologist attached to the Napier Expedition in 1867, collected a few fossils in the mountains extending from Asmara Eritrea to Magdala, Abyssinia, and in the narrative of the Expedition he gives a short description of the geology of that region. His collection of fossils, now in the British Museum, are of Jurassic age and, although the collection is meagre, there are enough species identical with those from Harrar to show that the Jurassic strata are developed nearly to their maximum thickness in this northern region.

The Jurassic series are said to rest on sandstones, doubtless of Triassic age, although rocks of this period in the Harrar Plateau are chiefly schists. He does not speak of sandstones or limestones overlying the Jurassic Limes, and it seems probable that these measures have been eroded away or were non-existent.

While in Adis Ababa I saw specimens of marble from a canyon two days march north of Mount Entoto, Adis Ababa, and my informant, Mr. Grossman, prospector for Bayart, told me that there was a very thick section of marbles and limestones in this area, i.e., probably on the Muger River, and doubtless a continuation of the limestones which are seen at Ankober. From these lines of evidence it seems fairly conclusive, in my opinion, that the Jurassic strata are continuous from Ankober northward to the Red Sea, and it is highly probable that rocks of this age are the origin of oil now found in commercial quantities along the Red Sea. Oil has been developed in commercial quantities along the Red Sea in four places:- at Gimsah, 200 miles S.E. of Suez, Jubal Island, about 200 miles S.E. of Suez, Hurghada, 230 miles S.E. of Suez and on Shadwin Island.

If any shales appear in this northern section overlying the limestones, or intercaleated through them, it is possible that oil in commercial quantities may be preserved in Eritrea and the North western part of Abyssinia.

The Donkali portion of Abyssinia and French Somaliland, lying within the great rift area, are hopeless.

MINERALS AND OTHER RESOURCES.

During our travels close watch was maintained for mineral outcroppings but none were seen worthy of prospecting. Our routes were chiefly through sedimentary deposits which are least favorable for precious minerals. Granites, clays, limestones, sandstones, and lavas were chiefly encountered with few complexes.

In my opinion the eastern half of the Harrar Province is not mineralised to a degree worthy of consideration for exploitation.

The western half of the Province which has been most favorably reported by Bayart was not traversed by our party.

Lead and Cinnabar.

Several specimens of lead and cinnabar were shown to me by Mr. Baghdassarian who said that they came from the vicinity of Gildessa and Dire Daoua. I was particularly interested as these minerals do occur in limestones and limestone contact but many enquiries and several journeys failed to disclose their source. My conclusion is that the specimens did not come from the localities cited.

Gold.

Gold float has been noted in the Errer River near Harrar. This I do not doubt but no mother quartz source has been discovered. It is not unusual to find gold colors in sedimentary rocks of Mesozoic age in other parts of the world but it has never been found in recoverable quantity.

Diamonds.

I had hopes of diamonds before travelling over the country but it soon became evident that conditions there were not favorable to their production. Diamonds are found in altered clays which are not present in the area examined.

Potash.

The most favorable mineral resources were seen outside of Harrar Province.

In the vicinity of Fontalle west of the Hawash River the lavas carry a high per cent of potash which has been leached out and concentrated in small lakes near the railroad.

Another point of concentration is at Devil Lake at the head of the Gulf of Tajura, French Somaliland. In both localities potash can be produced profitably.

Phosphate.

The Eocene deposits on the Erer River and tributaries in British Somaliland run high in phosphates. There are undoubtedly local areas of enrichment that can be worked profitably which can be determined only by analysis of materials from different exposures.

The same beds extend westward into Abyssinia but are not sectioned by rivers consequently exposures are few.

Stock Raising.

The semi-arid plains east of Djidjiga present exceptional conditions for stock raising. Through lack of surface water they are today unused by man except during the short rainy season. But water, doubtfully artesian, can easily be obtained at a depth of 500-700 feet.

Between Djidjiga and Dobolak lie thousands of acres, heavily grassed prairie interspersed with abundant Mimosa and Acacia woods. Countless thousands of gazelle and larger antelope roam these areas watered by occasional dews.

With recognised lease rights the prairies could be properly fenced and support vast herds of cattle or sheep. Hay cured and stationed en route with wells drilled at intervals would enable the fat stock to be driven to the excellent port at Berbera where they could be slaughtered and sent to market in cold storage.

The climate, though warm at an elevation of 6,000 feet, is excellent and native cattle thrive. Rarely have I seen such an attractive combination of conditions.

Ostrich Farming.

Another fine locality although smaller in area lies 80 kls. northwest of Dire Daoua in the grassy plains of Metto. Grass and wood are abundant with subsurface water at 70 - 200 feet depth. The outlet from here is the railroad at El Bah.

Many natives now use these grassy plains near the water holes, but grazing land extends far beyond them. Cattle, sheep, and camels are in excellent condition.

The area is within lava fields, at an elevation of 2,500 feet and is very hot.

Plant life and other conditions make it peculiarly adapted to Ostrich farming. Some ostrich are still found wild in the vicinity and they were once numerous.

Cotton and Coffee.

Agriculture for many reasons cannot be practised profitably by white men except under special grants or concessions, although the country is rich in possibilities. A cotton concession is most attractive. Cotton grows rank at elevations of 4,000 - 5,000 feet producing an extra long

staple and at date the country is free from bole weavel, the curse of the culture elsewhere.

Eqyptian varieties are used and others might be introduced advantageously.

Cotton cloth is the chief import of the country and raw cotton commands a high price in all their markets. It is grown in such limited quantities that gins have never been introduced.

An exceptional opportunity for a cotton farm was seen at Barzala in a tributary of the Modjo River, south of Gara Moulata.

The valley at this point is 1-2 miles wide and 5-7 miles long, that is desirable. The elevation is 4,950 feet. Limestone rocks several hundred feet high form its walls. The soil is rich but there is no water on the surface.

Under the left wall of the canyon however a cave leads down 100 feet to an underground river that flows with constant volume during the dry season. I estimated there were 2,592 miners inches of water flowing at a rate of 6 miles per hour; enough water to irrigate the whole unwatered valley.

Raising the water to the surface is simple; the roof of the cave is high and a dam could be thrown across the channel an eighth of a mile under the hill and the water led out to the surface through pipes. The fall is sufficient to generate several hundred horse power before utilization for irrigation.

I followed up the cave a quarter of a mile finding thick deposits of guano. The cavern was as large as at the entrance.

This valley would also be ideal for coffee production.

There are no roads to this valley at present but a Ford trail could be made up the Modjo River and across the Tchercher Mountains.

CORDAGE.

The natives of the semi-arid plains manufacture good rope from two plants; the inner bark of the Acacia tree and a plant related to the Aloe. Both of these are abundant in many districts east of Harrar where a large industry could be built up.

The mountainous districts however are more attractive. In the vicinity of Harrar century plants and Agavias grow luxuriantly and the conditions there are ideal for cultivation of the related fibre-producing varieties.

This industry would pay well for export trade and there is a large domestic consumption.

JOURNAL OF CAMEL CARAVANS.

Djidjiga, Abyssinia to Hargeisa, British Somaliland, and return.
Dec. 2nd. to Dec. 23rd., 1920.

Dire Daoua to Metto and return.
Dec. 26th. 1920 to Jan. 2nd., 1921.

Treks from Addagalla to Lassarat and return.
Jan. 3rd. to Jan. 19th., 1921.

JOURNAL OF MULE CARAVAN KEPT BY CAPT. MOON.

Dec. 2.

Divided party and broke camp. I with Hassan as Headman and ten picked guards, five pack camels and two saddle mules, started for Hargeisa at 7 a.m., accompanied by two Government soldiers on racing camels, who acted as guides and vanguards. This is a journey of four days without water and the camels must carry water for men and mules.

George, Peter, Harry, Joe and Hrad, with the Mule Caravan and the rest of the servants, started a little later in the opposite direction to camp at Adow to-night. On account of the Ogaden Somali uprising, we took the northern route.

Gradually the trail rises until at a point about five miles N.E. of Djidjiga it reaches an elevation of 6,100 feet, which is the same height as the exposed strata east of Djidjiga. For more than ten miles the route appears level, although no rocks are exposed; the surface is a great prairie plain, covered by tall grass 1½ ft. high, with finer curly blade at bottom, like the Montana plains:- a country of wonderful grazing possibilities, but mostly unused through lack of water. I estimate that water could be obtained on these plains by drilling to a depth of 500 to 600 feet. About 2,000 gazelles were seen while travelling the last ten miles. To-night we are camped (28) in the edge of a Mimosa forest, in an old Somali thorn zariba. To-day we marched nine hours and covered about 30 kls. It is like olden times to again see an unbroken prairie plain with wild antelope.

Our pack camels are marvellous beasts; they go without water four days, and carry 400 pounds each. When the loads are removed they stray out among the trees, preferring to browse on the sparse leaves and thorns of the Mimosa trees, to the thick grass. When brought in at night, they are forced to kneel down, and with feet doubled under them each has his front legs tied. All are grouped close together with their tails to the wind, the Arab drivers sleeping in front of them. They are never unsaddled for fear they may catch cold. The rhythmic measured tread of the pack camel is exasperating to one in a hurry but it is sure as heart beats. Arabs are excellent camel men.

Dec. 3.

Broke camp at 6.30 a.m.

Last night there was a fairly heavy dew, and this

morning the grass was quite wet, which explains why the gazelles and other antelope can live for months on these grassy plains without drinking water. Travelled nearly all day in Mimosa, and Acacia forests of low trees. Passed many deserted thorn zaribas of nomadic Somalis, who herd over these areas during the rainy season. Cemeteries containing from one to a dozen graves, all enclosed by thick tree or brush zaribas were passed at intervals all along the trail. Each may represent the season's dead of an itinerant village or they may be family plots covering several years. At any rate, there are so many cemeteries that they arrest one's attention.

On the map names are given as though of permanent villages, but there are none along the trail between Djidjiga and Dobolak at this season.

Near Agaha Kalayou made a detour to southward with mules and was favorably impressed with strata rising to the elevation at Dollo; if country continues unbroken to eastward, this fold holds possibilities of an oil accumulation.

Again saw hundreds of gazelles early in the morning before entering the forest near Abou Foulon, and with two of the men had several unsuccessful shots, wounding one or two gazelle. About two hours later saw a lioness but was unable to get a shot at her. There are many birds in this forest including plover, but no water. Trail gradually descends, and at night three kls. west of boundary line elevation was 5050 ft. No rock exposures to-day except a few redeposited limestones near Joufta Albasa. Camped in an old zariba (29) near Gelmaharis: soldiers say this is a very bad lion country.

Another Somali camel caravan with two men and two women arrived after dark, and camped in zariba with us for protection.

<u>Dec. 4.</u>

Breakfasted at five: broke camp at 6.30 a.m.

Soon came out of scrub brush on to a grassy plain that continues north, northwestward into the same flat plain along the railroad near Addagalla. Located the international boundary line, marked by spade holes in a depression, the lowest part of the plain, elevation 5000 ft. Saw many gazelles, and one large antelope, probably an eland. Saw a large camel caravan on the Ouijiauja trail.

At eight o'clock met a large camel caravan of Somalis without guns, and few spears. A lion jumped into their zariba last night and grabbed a sleeping man, but was driven off after biting the man terribly in the breast. He was carried to the village of Djibeli, but will probably not recover.

At one o'clock stopped to rest men and mules until caravan came up. Michail was guarding the mules, but failed to keep hold of the ropes. As soon as loose, they started on a run on the trail back to Djidjiga, with all men

in pursuit. They passed the camels and none of the camel guards could stop them. Some Somali villagers finally captured them five miles back on the trail. This was a hard days march, and we camped at 3 p.m. near Ejara, (30) elevation 5250 ft. There were some quartzite exposures near the camp, and we passed some others on the trail about three hours back. Surface is gradually rising. Saw another lioness in the afternoon, but failed to get a shot; lots of lion tracks everywhere.

Dec. 5.

Breakfasted at four: broke camp at 5.30 a.m.

No sign of lions last night; travelled over an hour in a thick fog; grass and foliage all wet. In a short time reached the prominent quartzite hills of Doubbouro. These quartzites are undoubtedly of the same age as those overlying the Jurassic limestones north of Dire-Daoua. Rocks are massive, and composed of rather coarse grained sands mixed with pebbles; no fossils were found in them.

Near these hills, Aloes begin in abundance, and the entire fauna and flora changes within a few miles. Apparently these hills are a part of the divide that separates the coastal fauna and flora from that of the high platau region. As soon as the Aloes became numerous, we saw dozens of beautiful little dick-dick the smallest antelope about the size of a jack rabbit, and usually in pairs.

Shortly after midday we struck the Erer river-bed following down it; reached the Dabolak water holes about one o'clock, where there were great numbers of cattle, sheep and camels watering. Many natives were loading camels and burros with jars of water for their distant camps. Our men were tired, and we had tea at a Somali soldiers camp. It was too early to camp, and because of misleading information, we determined to push on to Hargeisa for the night.

As we followed down stream, limestone exposures 200 and 300 ft. in elevation and white in color appeared at intervals on either side. These white limestones were first seen on the east bank of the Arabsdo River at Lalisk marked on the map as Arali. They overlie the quartzites and are evidently of Tertiary age.

Mimosa and other trees become larger down stream, frequently quite thick, but grass became less and less, finally nil. We reached Hargeisa, and camped (31) near Mr. R. H. Smith's house at the wireless station about dark.

This was our hardest days march, camels and men being practically exhausted after a thirteen hour trek without food, only a cup of tea at noon. It was a record march of 60 kls. for loaded camels.

Dec. 6 - 12.

CAMPED AT HARGEISA.

Mr. Smith returned late last night. I introduced myself and showed my passport, telling him of my errand. He was very affable, and showed kindnesses of a material kind giving me permission to use Government feed and placing his conveniences generally at my disposal. Major Rand, District Comm. of this part of Somaliland is at Berbera attending a district meeting. Mr. Smith has wirelessed to the Government at Berbera, and asked for permission for a car to come from Berbera to take me to the coast. It is over 200 kls. to Berbera, and this would save a ten days march with camels. Mr. Smith is the Police Magistrate, and is conducting the station in Major Rand's absence. They are the only two white people at this station.

Hargeisa is a village with a shifting population usually from 2,000 to 3,000 people, and the post has 100 native police, mostly of the camel corps. The main camel division is ten or twelve miles down the river. The village is composed of two or three compact groups of grass mat huts, a few sun dried brick houses of the Arab merchants, and the better built post houses farther up stream. The village is established here because of the permanent water holes in the river bed. Immense trees are clustered in the river bottom near those water holes, some of them shading an area nearly 200 ft. square. Streams of cattle, camels and sheep come to the water holes, and caravans are seen in all directions laden with water.

On this date there are two native gardens, from which I secured roasting ears, radishes, lettuce and papias, which shows what can be done with water. A system of wells could be driven here, and the valley irrigated by wind-mills, especially if concrete dams were thrown across the river bed at intervals, coming up flush with the top of the sands, thus retaining the water in the channel sands, and reducing evaporation. A cheap system of irrigation once started in this manner by the Government would have a far reaching effect upon the natives.

Dec. 7. Rode out to Naso Habled, two prominent limestone nipples about six miles northeast of town. Gabre Marian carried the gun and collecting bag, and Omar carried the camera; in British Somaliland they tell me it is safe to go without an escort. The Naso Habled peaks are the highest points in this vicinity; they rise about 350 ft. above the surrounding country; are composed of cherty limestone of Eocene age (see Hargeisa section) and rest on quartzites of post Jurassic age. I found many fossils to-day, mostly in poor state of preservation, but sufficient to determine the age of these beds. The strata rise to the north and eastward down the Erer river, and appear to dip uniformly south southwestward at an angle of 3 degrees, with the glasses these beds seem to disappear in isolated peaks at a distance of about 30 kls. northward. To the south they form the unbroken surface of the partly forested plains.

No reply from coast as yet.

Dec. 8. Collected fossils again to-day on each side of the valley, getting some new forms, but all of Eocene age. As we were returning home to-night, saw three big hyenas; shot at them with revolver. They never show fight but Mr. Smith tells me that they frequently steal into the village and carry away babies and small children; several deaths have resulted in this way.

Government reports that Major Rand is out of town, but that his car may be available and to wait until I hear from him again.

Dec. 9. Spent the day hunting fossils and taking pictures; men and camels are taking a good rest. I visited the market to-day and saw the natives cutting up camels, which seem to be one of their chief sources of meat; also saw the men and women puddling clay and making sundried bricks. Watched natives building a stone wall around Major Rand's house. Young girls carry the stone and mortar while men trim and lay the rocks.

Dec. 10. Collected fossils; took pictures and shot several small rodents. Unless I am mistaken there are several new species of small mammals in this vicinity; ground squirrels are very numerous, one that I shot had more varieties of ticks swarming over his body than I ever thought existed.

Dec. 11. Collected fossils and sectioned cliffs. Not yet been able to find fossils in quartzites underlying the limestones. Accompanied Mr. Smith to his office this morning and watched court proceedings. From his statements it would seem that the British occupation of this country has greatly reduced the inter tribal fighting and killings that so often occur over trivial matters. It seems that there is a rather unnecessary and lavish expenditure of moneys in the upkeep of the camel corps, a readjustment of which might well be made.

Major Rand is still at the coast, and I will not be able to use the auto. until he returns. On account of delay it now seems wisest to complete this section between Hargeisa and the coast, after I have completed work in Abyssinia, going to Berbera by boat and from there to Hargeisa by car. Examined one other exposure this afternoon, and have as nearly a complete series of fossils as can be obtained in this vicinity. Will start on return trip tomorrow.

Dec. 12. Packed up and caravan started on return journey at 10 a.m. I with gun bearer remained and took lunch with Mr. Smith leaving at 1 p.m. Reached Dobolak water holes at 5 p.m. finding camp (32) pitched in a small zariba near the water holes. On trail about four miles east of Dobolak saw a large wild boar but failed to get a shot.

Elevation at Dobolak 4,425 ft.

Dec. 13.

Breakfasted at five; broke camp at 6.30.

Took trail to the south which turned out to be the Wickenbourg trail. The most southern route, the Heath-Payton trail, is no longer used. Coming out of the river valley, we climbed an escarpment 120 ft. high. The elevation at the base of the escarpment registered 4740 ft; Top of plain 4860 ft. Near the highest point there is an old circular stone wall that appears to have been a large fort of ancient date with evidence of temporary buildings inside. Travelled through scattered forests most of the day; no exposures. Camped (33) at five o'clock just northeast of the International boundary line.

While camp was being pitched in an old zariba, I strolled out and saw a lion, but when gun bearer arrived had lost sight of it. Followed up and saw tracks of two lions when I reached the spot. A Somali Chieftain with many followers visited camp. We killed two sheep near the Zariba, and I instructed the guards to call me if the lions came during the night. Was awakened at twelve by the guard who said that he had seen the lions. After some time watching I used the flashlight but could discover nothing. Went back to bed. The relief guard reported next morning that he had seen the lions but failed to call me. On examination we found tracks of the two lions within ten feet of the tents, but saw nothing of the lions.

Dec. 14th. Broke camp 7 a.m.

Crossed boundary line early; passed some outcrops near Debiylouein, all redeposit limestone. Mimosa and Acacia forest most of the way; some open prairie country on the left with hundreds of gazelles grazing in the tall grass. Soon entered another sparse forest through which we travelled most of the day. Some species of these Acacia and Mimosa trees have very tough inner bark which is used by the natives in the manufacture of rope and baskets. In my opinion an industry of considerable importance might be developed by manufacturing cordage from these trees. Apparently several species areused by the natives, and the trees are abundant all over these plateau plains.

At Debile this forest terminates, and we crossed another heavily grassed prairie, and camped in an old zariba off the trail in the beginning of another brush area. Made camp (34) at 5 o'clock after ten hours trek. Hundreds of gazelles are feeding out in the open; usually in herds of fifty or a hundred. Broke one's leg, and hit another but failed to secure either. I am convinced that it is useless to shoot with an open sight at these long distances. All of my men have tried with similar results. Elevation of this camp 5250 ft.

Dec. 15.

Broke camp 7 a.m.

Heavy clouds are drifting northeastward this morning as usual, and the grass is wet with dew. Tents are

wet. We soon entered heavier woods, the trail rising as we advanced. Came out on a long plateau the same elevation as Dollo, 5535 ft; no outcrops. Continued along this height of land for several hours, the view largely obscured by woods and mirage. After nine o'clock each day, I have experienced greatest difficulty in obtaining accurate measurements with theodolite on account of mirage. The highest elevation reached was at Dollo, 5850 ft. The contours shown on the French map that I am using, are fairly accurate. The lines of closure shown at Dollo, are verified, and this area undoubtedly is a dome of low degree dips on each side. It is the most favorable position for a test that I have so far seen. Travelled several hours, trail gradually descending over slight wavy undulation scarcely discernable to the eye. Shortly after mid day, sighted top of Mt. Harrhe to the westward, and determined to examine it. The elevated east and west plateau of which Dollo is a part ends about four hours march from Harrhe, likewise the forest. As in many other countries, I suspect that the forest distribution is largely dependent on the underlying rocks. Here the Acacia and Mimosa are most prolific on the unbroken limestones. Leaving the forest at the edge of this plateau about three o'clock, we entered another grassy plain, and camped (35) in the open about four miles from Mt. Harrhe.

Dec. 16.

Broke camp about seven; with Syce, Bulbullo and Gabre Michail rode to Mt. Harrhe, while caravan started for Djidjiga. Mt. Harrhe is a volcanic peak of pre-Jurassic age, like those peaks to the northward in the Souwoula plateau, and the low range just west of Djidjiga. The sedimentary rocks come up to the base of this mountain normally and in position without upturned edges. The base of the mountain measured 5910 ft, while its top is 5970 ft. The material composing this mountain is igneous in character, and its conical form was evidently determined by the Jurassic ocean. The weathered blocks extend only a short distance away from its base. From this peak we saw thousands of gazelles, many hartebeast, and oryx, but none within shooting distance.

After examining this mountain, we started toward Djidjiga. The luxuriant grass obscured all underlying strata over most of this area. Half way to Djidjiga we began to pick up exposures which form the northeast border of the Djerer river watercourse. The highest point measured on this days journey was near a clump of trees one mile southwest of the old fort where the barometer read 6100 ft. In the small hills between this point and the river, slight deformations of two and three degrees dip were measured. The strike of folds is northwest southeast, parallel with the igneous range west of the Djerer river. Past through some Duro fields on these elevated ridges. Before reaching the cultivated lands, Bulbullo killed a young male gazelle, the only one that we brought down on this journey. Reached camp (36) finding the tents pitched under the big trees at Djidjiga. Learned that the Governor was not at home.

Dec. 17.

Broke camp 7 a.m.

The caravan followed the old trail, while I with guards went through the lower pass to southward. Found very few fossils, but determined to a certainty that these beds were deposited horizontally on both sides of this volcanic ridge, showing that it is of pre-Jurassic age since exposed by erosion. These hills evidently had great influence on the character of sedimentation, in their vicinity, as there is much more silicious material mingled with the limestones near them. Had great difficulty today in picking up the trails for it is a very rough country. Did not reach the main trail until nearly sundown, and finally reached camp (37) at Santhala at 7 p.m., finding it by the fires.

Dec. 18.

Broke camp at 7 a.m.,

The caravan followed the road by way of Fiambiro, while I with guards followed up the river and climbed the flank of Mt. Konduro or Jarso. This is a most picturesque journey. The land is cultivated in natural terraces, and local irrigation is carried on quite extensively. It is quite marvellous to see how high up the mountain side cultivation is carried. On some of the hillsides now grown over with timber, we found remains of ancient mosques, as we have in other parts of this country, showing an ancient invasion of Mohammedans. Most of the present people are Christians.

It was a laborious day of climbing, but I was determined to see the full thickness of the sedimentary rocks. Finally reached the top of the sedimentaries just at sundown, at an elevation of exactly 8000 ft. This is about 3000 ft. below the flat top, of Konduro Mt., and the fort on its summit. It was a glorious sunset, and a wonderful view. I could see to the westward of all the mountain chain of Anniagalla, and to the southward over the Ogaden country; to the eastward, clear to the igneous range just west of Djidjiga, an area of more than 100 miles square. From the top of this mountain with glasses, they say one may see the ocean on a clear day.

We had a very difficult descent, sometimes picking our way down sheer cliffs of 200 and 300 feet. A bright moon enabled us to travel at all. We hit the main trail long after dark, and could see camel tracks, finally reached camp (38) at 8.30, finding it at the granite peaks of Dagadema.

Dec. 19.

Broke camp at 7.30.

Went down through the picturesque pass on the Erer river, sighting the tents of our big camp, which we reached

at twelve o'clock. Boys all came out to meet us, flags were flying and the men were drawn up in military rows. Had a great reception; camels arrived two hours later. It is a great pleasure to see running water again. Had my first bath in three weeks.

Dec. 20.

Spent day in camp overhauling and repacking; find everything in fine condition.

Dec. 21.

Broke camp about 7.30;

The two caravans make an imposing equipment. George and Harry rode ahead, and filmed the caravan aswe went up the steep pass out of the Erer river. Saw the caravan around the walls of Harrar, and instructed men under guidance of Hassan to camp at Komboltcha. We white men with several gunbearers and syces lunched with Joe's family. Had a pleasant time, and packed collection of curios. Most of the men became intoxicated from too much tedj, and Bulbullo nearly killed one of the men with a knife. One went to the hospital, the other to prison. Visited the Governor and saw other friends. Started for camp late in afternoon, and reached tents after dark. Very cold in the evening. Found camp pitched in an old lake bed in tall grass near the Church.

Dec. 22nd.

This morning there was a quarter of an inch of ice on buckets and very cold before sunrise. Spent the day sectioning hills to the northeast, and collected fossils. Fossils are similar to those in Mt. Hakim section at Harrar. Could see Lake Haramaya from the high peaks today. Returned to camp late in the evening.

Dec. 23.

Rode ahead of caravan making sections and collecting fossils along the divide. The granite exposures marking the watershed between the Erer and Dire-Daoua rivers are 7200 ft. elevation where the trail follows this divide. The Jurassic beds immediately overlying the granite on the south, are in many places conglomeratic in character. South of the ridge these beds are perfectly horizontal, deposited on an uneven granite floor. To the northward the Jurassic strata are broken away and slipped downward in great fault blocks,

completely disappearing under the lava on the plains below. The blocks are tipped at various degrees but in most cases the plane of stratafication is elevated northward at angles from ten to forty-five degrees.

Reached Dire Daoua and headquarters in afternoon. Glad to see Major Rooney, and to be able to sleep in a bed once more.

Dec. 24.

Spent day visiting, reading mail, and repacking camel boxes for short trip northward.

Dec. 25.

Christmas Day Major had prepared turkey and appropriate feast for the occasion. Box sent from home has not arrived. With garden filled with flowers and banana trees in fruit, the climate does not seem appropriate to the season.

Dec. 26.

Camel caravan with same group of guards left house shortly after noon to camp near the cliffs six miles north of town, under charge of Hassan as headsman. I with Gabre Marian and Omar left about 2 p.m. Reached camp (39) near sandstone peak one mile from cliff at sundown.

Dec. 27.

Rode to cliff and spent day there finding some good upper Portlandian Jurassic fossils. This is the first evidence I have found of the upper Jurassic beds on this side of the granites. The enormous displacement necessarily deduced from their position shows that tremendous faulting has taken place north of the range. The discovery of these fossils clears up many points, and determines to a certainty the age of the beds composing the Dire-Daoua amphitheatre, which were before doubtful.

Most of the north wall of this valley is lava that has flowed from Burhad craters six hours journey to the northwest. The lava is horizontally stratified and flowed into the upturned distorted sedimentary rocks subsequent to their folding. The peaks in the center of the Dire Daoua valley are quartzite sandstones, and on this north wall, they lie non conformably on the Portlandian series. As near as I can measure, these sandstones are 600 ft. in thickness. No fossils have so far been discovered in them. They may represent continental Jurassic conditions, or are possibly of Cretaceous age, but certainly post Portlandian,

and pre Eocene. They are in every particular similar to the sandstones observed near Hargeisa, British Somaliland.

Dec. 28.

Spent day in further examination of beds. In one place on this wall, due north of Dire Daoua, there is a complete arch which would be worth a test well if the underlying strata were not so badly faulted. Intrusions seal all the north flank of this dome. Found Portlandian ammonites in uppermost limestones underlying the sandstone cap which shows that there would be a maximum thickness of Jurassic strata at this point.

Dec. 29.

Broke camp at 7 a.m.

Followed up the valley three miles then up the lava cliffs to the top of the flow which is a level plateau covered with low scrubby thorn trees. This is the Gorgouro Somali country. They are a very poor herds people, and seem in a much lower state of development than other divisions of the Somalis. Their mat houses are never more than four feet in height, and very mean in appointment. It is not a numerous tribe, and all are subject to the jurisdiction of the governor of Dire-Daoua. Passed several zaribas and small herds of goats.

After an hour's journey on the plateau, determined that there are no limestones exposed near the Burhad peaks. Lava flows have covered all exposures. Then turned northeastward spending a terrible day for mules and camels in this lava field. Average speed not more than one and a half miles per hour. Camped (40) in brush about three miles west of El Bah station on railroad.

Dec. 30.

Left camp about 7 a.m. with Gabre Machail two Omars, guide and Gabre Marian, Rode to Gumbutta Wallali, reaching these peaks at twelve o'clock. On the way saw three wild boars, many gerenuk and gazelles. Found limestone float all along the water course, but could not locate any in place. All lime rocks are water worn. Gumbutta Wallali are the prominent peaks that lie six miles north of Burhad, and unlike them, are composed entirely of sandstone, the pre-Eocene beds seen elsewhere. The peaks rise about 300 ft. above the surrounding plain, and through torsion the materials have become softened, disintergrating rapidly. Limestone float is found around the base of these peaks, but none in place. Returned to camp early, and sent camels to fill the water cans up the river.

Dec. 31.

Breakfasted at five, broke camp at six.

After starting a few minutes from camp killed a wild boar, taking head and hams. Rather exciting experience. A few minutes later killed a gazelle and shortly after that a large bird much prized for food by the Abyssinians. Don't know its name. While the men were cleaning the gazelle, I killed a small species of jackal. Three of these creatures were shot through the heart at distances of about 100 yards, which shows the accuracy of shooting with a telescope. I had killed nothing on previous trip without the telescope. Passed Gumhutta Wallali at 12, travelling northwest.

Soon came to wonderful tall grass, which completely covered the mules. Great herds of milk camels are feeding around the edges, and on the plain. North and east of this grass land, are immense ant houses, some fifteen feet high, and ten feet in diameter. Timber lies to the west of this grassy depression, and there are many Issa zaribas and huts on the border of the forest and the edge of the grass land. Headed for the low hills on the edge of the Donkali country. The forest is limited but intense, and the sediments are evidently volcanic ash and river wash. The camels are heavily loaded, and only reached the edge of the forest. Found them camped (4) in a beautiful spot at Metto.

Jan. 1.

New Years Day. Left camp at 6.30 for Donkali land, accompanied by heavy guard Our Gorgouro guide would not accompany me for fear of Donkalis. Travelled eleven hours to the distant hills in Donkali land reaching a point 80 kls. northwest of Dire Daoua. The country over which we travelled is flat with grassy swales. The lava hills that we reached are the edge of some local flow that has come from the northward. Deserted Donkali houses made of lava are scattered all around the edge of this flow. This is disputed territory fought over by Issas and Donkalis. No people were seen. The limestone float is everywhere reduced to minute particles, and is evidently carried from hills to the southward. All underlying limestones are covered by unknown thickness of lava. A magnificent mountain, evidently an extinct crater, resembling Mt. Takoma, rises majestically out of the Donkali plains to the west of us. This peak is about 50 miles distant, and is many thousands of ft. in height. None of my people knew its name. The ant houses show white on volcanic ash while they are red on lava debris.

Saw ten ostrich, magnificent birds, at half a mile distance. Could not stalk them. Measured the tracks of one which showed an eight foot stride. Saw one lone oryx of large Djidjiga species, and 30 about half its size. Shot one through the belly at 300 yards, but failed to secure it. Saw two hyenas and several jackals. On return we were mistaken for Donkalis, and a number of Issa warriors came out to fight us. When they discovered that it was a white man, they wanted baksheesh. Reached camp at five p.m. Had a dinner of wild boar meat, gazelle, and mutton, with canned vegetables, canned fruit and a quart of champagne. No bad effects at writing. Will start on return trip tomorrow.

Jan. 2.

Breakfasted at five; broke camp at six.

Passed villages at Metto in edge of Mimosa forest. Issa women were very indignant when I took pictures of them in the houses. Examined the three small volcanic hills at Metto, where Bayard's men had prospected. There is no mineral there. Travelled along the water course after we left the tall Metto grasses.

There are water holes a few miles south of Metto, and this area would be a magnificent place for an ostrich and stock farm. Water I think can be developed by drilling, and there is abundant grass and wood. An auto road could easily be made to the railroad near Elbah.

Passed the camp of Dec. 31st., and mount Wallali, skirting the lave flow and water course. Limestone float increases in size and abundance as we go toward the railroad. This stream bed is very deceptive to the eye. Every man in the party thought we were going down stream, whereas the barometer showed a steady rise. Finally near the station of Elbah, at an elevation of 3000 ft. we came to water in the stream. The Dire Daoua river subsurface water is evidently arrested here by a subterranean dyke. Water actually flows for a distance of nearly a mile. There is no water north or south of this section. It is immediately lost in the subsurface fractures, and only during the spring flood flows down as far as Metto.

Hundreds of head of camels and sheep were drinking at this open stream. The caravan moved rapidly today, almost as fast as the mules, although the heat was terrific. Arrived at the water at 3.30. Camped (42) Put up the tents, and had lunch. I took the train at 5 o'clock for Dire Daoua. Was welcomed by Major Rooney, George, Capt. Moon and Joe. Peter had gone to Addis Ababa to help install the electrical equipment at the Palace. Joe and George had sold mules in Harrar on good terms, and are going to Addis Ababa in the morning.

Jan. 3.

Prepared camp supplies and arranged for next trip from Addagalla as base. Caravan arrived about noon; camels are so exhausted that Ali Malach their owner will not undertake the next trip. Arranged with Balanabaras Bayena the Governor, to send word for camels and guides to meet me at Addagalla. Loaded saddle mules and equipment on car in the afternoon.

Jan. 4.

Left Dire Daoua with outfit on train for Addagalla. Capt. Moon is with us on way to Djibuti and home. Reached Addagalla at 10 a.m., had trouble with customs officers in

spite of letter from the governor. After opening a few boxes, finally convinced them that we were not carrying money. The country experiences great difficulty in keeping sufficient silver for circulation within its borders. Camped (43) near the station, and arranged for five camels. Lava flows to the east and north with volcanic peaks to the south and west. Higher mountains bordering the Harrar plateau to the southward.

At night the shadows creep among the low hills and lava flows and the mean little huts strangely remind me of many little Wyoming railroad stations. The camels came in late this evening; two are very small.

Jan. 5.

Camp awakened at 5. The Somalis proved to be poor camel men, and their native saddles are a very poor makeshift. We did not get started until nine o'clock. Followed westward down the watercourse along the edge of a lava flow. About ten o'clock saw a solitary gazelle and killed him at 150 yards. Proved to be a new kind not known to any of our party. Camped (44) about four o'clock in the lea of a Somali graveyard at Gorgour waterholes on the edge of the lava fields. During the afternoon, saw much calcedony, some gypsum, and a non continuous six inch layer of limestone with impressions of Turritellas; also scattered fragments of bone and teeth, some of which proved to be Elephant remains. We areiin shallow lake basins of Pleistocene age. These limestone sediments stretch away from the edge of the lava flows, which evidently formed the border of shallow lakes.

Jan. 6.

Breakfasted at four; started at 6.30.

The Somali camel men have improved slightly today. Were joined today by a prominent chief known to Hassan. He is evidently superior to all of the Issas that we have encountered; tall and stately, with an intelligent face, keen eyes, and a bushy head, he is an impressive individual. One his right arm above the elbow, he wears an elephant tusk bracelet which signifies that he has killed more than ten Donkalis. One of our camel men from Addagalla, a young fellow of about eighteen years, wears a brass bracelet which signifies that he has killed two Donkalis. We travelled all day along lava flows, some rather picturesque, especially at lake Delado, a grassy depression without water, where I killed an immense buck gazelle, as large as a white tailed deer. Damped (45) at Gomish early on account of tired camels. One camel tired about noon, and did not arrive until four o'clock. Am disgusted with Somali drivers and their camels; totally unlike the Arabs who move with the precision of clockwork.

Jan. 7.

Breakfasted at 5 a.m. Broke Camp at 6 a.m.

Travelled all day through grassy depressions at the edge of lava flows. These depressions are evidently shallow lakes during the wet season. There are corrals and shelters of nomadic Somalis all along the edge of the lava. Two peaks on the south appear to be craters. Near the east end of Lake Kilelou I found a considerable area (possibly an acre in extent) of calcedony, 1-4 feet thick at the edge of the lava flow. This calcedony is filled with stems of equisetae and cat-tail rushes, all in a well-preserved fossilized condition. Have not seen any living equisetae in this country. These beds appear to be of the same age as those containing the mammoth bones, that is Pleistocene. This was a long day, ending with two miles of as bad lava trail as I have ever experienced. When we finally reached the waterholes down in a side canyon of the Aban River, we camped (46) near Gouhan in a rock zariba in the canyon side away from mosquitoes.

Jan. 8.

Breakfasted at 5 a.m. and with the Chief and five picked men went down the canyon to a deep waterhole to hunt hippopotamus. Hasson broke Camp and recrossed the lava field.

We soon saw hippo tracks on nearing the water hole and followed them to the pool; presently I heard splashing and grunts from the rushes and just spied one before he submerged, but could not get a shot. We stayed there fore five hours but he never came up. The natives say that they will remain submerged all day.

This was a beautiful pond of water, 200 ft. long by 30 ft. wide fringed with cat-tail rushes and tall plumed grass. I spent the rest of the morning here, fishing and longing for dynamite. Caught seven large Catfish. With fish hooks and line I was a sight of great interest to a large number of natives, who collected along the bank and watched. They had never before seen fish caught in this manner.

There are no Limestone outcrops, as my guide had led me to expect. Nothing but lava as deep as the canyon has cut, a depth of at least 500 feet in this vicinity.

I overtook the caravan at 3 o'clock and travelled until 4, camping (47) near a rock zariba at the edge of the lava.

Jan. 9.

Breakfasted at 4.30 a.m. Broke Camp at 6 a.m.

Trekked 9 hours a little north of east over flat grass and ash covered plains toward a prominent cliff, where I am told there is a hot spring and there may be limestone. Saw a few gazelles - too distant to shoot, and two big herds

of milch camels. This seemed the longest day of the season; terrible heat; a mirage distorting everything with lakes and rivers of water in all directions but not a drop to drink. Camped (4g) at the edge of a lava field. Hassan had considerable difficulty with the natives because they persisted in drinking from reserved cans. He finally had to beat some of them away with a club and put the reserve cans in my tent; they never think of tomorrow. Ten natives will drink a camel can of water (8 gallons) at one sitting.

Jan. 10.

Breakfasted at 5 a.m. Broke camp at 6 a.m.

Climbed up to the top of the flow and travelled until 8, when we came to the edge of a cliff bordering old Lake Debu, an ancient lake several miles in extent, but now dry except in the rainy season. A wonderful sight. The walls of this Lake border are 300 ft. perpendicular and in places the erosion has left columnar pyramids. In cross section the walls appear to be made up of successive flows; the layers are not continuous latterly, but step down like faults. The lowest, 150 ft. in some parts of the wall, are bluish ash with white dykes running irregularly through them, forming pockets. The top of the flow is a hard vesicular lava.

A few natives were camped along the rim of this lake basin. As soon as they saw us in the distance all the men and young women ran away with their herds, fearing we were Abyssinian Tax Collectors; we soon assured those remaining that we would not molest them.

We descended down into the lake floor and at 11 o'clock reached the hot springs at Takale. At the north end 50ft. above the lake floor on the east side of the rim at the highest part of the wall are many vents and thermal springs. The water is highly saturated with salts, but no sulphur, and is rather unpleasant to the taste. The sediments which are built up in terraces on the wall are variegated in colour, red, green and white. It is Travertine-like in appearance and in some places very hard, like Calcedony. The materials composing this depositmare evidently leached from the vesicular lava crystals.

The natives come for many miles as it is the only water in the region. We filled our cans, watered the camels and put up a shelter and lunched. There are a few scattered trees amongst the lava boulders along the walls but very few birds or animals, excepting small herds of gazelles. It strikes one as a great desolate waste, devoid of animal and very little plant life. Travelled later in the day and camped (4g) near the south end of Lake Debu.

Jan. 11.

Breakfasted at 5 a.m. Broke Camp at 6 a.m.

Reached the top of the cliffs about 7.30 and then travelled westward. Saw 9 large oryx and stalked them, but could not get a shot.

The Chief left us early today as it was near his village and he was greatly pleased with the gifts. I gave hime a tope of cotton cloth for a mantle and a dollar.

All the afternoon I found fragments of bone and elephant teeth, horse teeth and so forth, all of Pleistocene Age. These remains were all fragmentary and never found in place, although there is a friable limestone 4" to 8" in thickness over most of the old lake bottoms. Fragmentary fossils were especially abundant near Domboshe Bead, 15 kilometres west of Addagalla but none in Situ. The lime - stone is flinty hard, with a metallic ring and was evidently derived from leaching of the lava crystals. The edge of the lava fields showed water action, i.e. erosion and sorting with a uniform slope on the borders. Formerly there were evidently many ostrich in this region, as fragmentary egg-shells are seen frequently. We camped (50) at 3 p.m., having little grass or wood.

Jan. 12.

Breakfasted at 5 a.m. Broke Camp at 6 a.m.

Had a jackal serenade last night: exactly like coyottes in the United States. They were howling from all points of the compass. All here seem to be of the same species as in the vicinity of Harrar, but different from those at Hargeisa.

We saw no game today.

Fragments of Pleistocene bones continue and in the water courses there is considerable Gypsum. All of these depressions in the lava fields were evidently Pleistocene shallow lakes.

We reached Addagalla at 10.30 and lunched in the Station House. Discharged the men with the poor camels and secured others. George and servant were on the train and joined us here. He had been looking for me up and down the line. We left the Station at 3.30 for Biya Kaboba. Travelled westward between the Lava flows and camped (51) in a stream bed at 5.30.

Jan. 13.

Broke Camp at 5.30.

Travelled all day up the same valley between lava flows, which rise nearly 400 ft.in height on each side of us. George killed a female and I a male gazelle; none of our men would eat the meat because both animals were dead before they could cut their throats.

We reached Biya Kaboba at 2.30 and camped (52) near the stream course among big trees. There is little water here and only a small village. It is a Customs Station, a few miles from the International Boundary line, on one of the main routes of travel. There are three or four guards and an

and an old Fort at the top of a round fill near the stream. At one time this was the main road to Zeila and it was one of the chief Ports of entry into Abyssinia, but since the advent of the railroad is little used.

The Lava immediately surrounding is vesicular on top and bluish and consolidated at base, about 100 ft. thick on west and northwest. Mount Ellis crater lies to the south east about 15 miles. There is much Jurassic limestone and Post-Jurassic sandstone in this area, some brilliant and variegated in colour through heat alteration. A line of peaks and igneous plugs extend north-east and south-west. Some of the Jurassic limestone peaks are very picturesque.

Jan. 14th.

George and I rode out toward Mount Marmar, hunting along the road. George killed a young buck gazelle. We reached the picturesque plugs and brilliant coloured peaks west of Marmar rather late. Found these to be a centre of volcanic action but no flows. There have been enormous craters in this area, rivalling in size those of the Phillipine Islands. All the limestones are tipped at various degrees. The Upper Kimmeridgian-Jurassic has all disappeared, either weathered away or altered out of recognition. I am convinced that there is no hope of oil northward. We rode back and I found a vein of Asphaltic residue near camp on the west side of this stream course. It is very hard and was evidently fired during the volcanic eruption and the heat generated has caused the rocks to melt, forming geod-like bodies. The limestone, particularly in the vicinity of the village have been decalcified by heat and become whitish and very friable, afterwards they have eroded more rapidly than elsewhere. The sandstones overlying the limestone have also been much affected by the Lava flows passing over them. Some strata have been melted and squeezed into long slabs, often used by the Somalis for tombstones. The Asphalt found here is the only occurrence that I have noted up to date. In no other place have I seen Asphalt or oil seepage.

Jan. 15.

Rode to Mount Aiya Makkeran. The rocks are 12° to 45° dip. The base is Triassic in age and composed of bluish schists, as in the Ramis River canyon. 300 ft. of these schists are exposed at the base of the mountain. Jurassic fossils, mostly Rhynchonella and Terebratula, occur 25 ft. above the schists and fossils are quite numerous from there upward. Nearly 500 ft. of the basal Jurassic strata forms the top of this mountain. The sides are perpendicular and the top is flat. The upper beds have all been eroded away, but their edges are still showing upturned in the valley below. This mountain is the remaining portion of a one-time high arch. Much faulting has occurred here. Can see a very likely fold to the south-west, which the natives tell me is Goh. I find it marked on the map.

Jan. 16.

Rode to Goh, three hours distant from Camp. Saw several gazelle does very near but did not shoot at them. Goh is about 30 kilometres south west of Addadalla. It is a series of low hills, some 70 ft. high, out in the tree covered plain and the hills are composed of middle Jurassic strata, enclosing a basin of approximately 1000 acres. The rocks on the rim all rise to the center at from 10° to 45° dip, but average about 15° . In the center of the basin the barometer reads 3,100 ft. and stratagraphically the bottom of exposed strata is about 800 ft. above the bottom of the series. A small lava flow lies just outside of the basin on the south-east, evidently subsequent to the faulting, as it continues into the upturned limestones without interruption of angle or break. Mount Ellis, the crater, rises about 6 miles to the S.E. and there is a small synclinal valley, half a mile wide, which separates it from the high limestone peaks on the east. On the North-west, in the stream course, the basin does not close, or, if so, the rim rocks have been eroded and covered. However, this is an almost perfect dome, the center of which is eroded away and is very similar to Elk Basin, Wyoming. Were other conditions favourable, this would be an ideal place to test. There is no surface water within 12 miles, but subsurface water should be reached within 200 ft. Wood is fairly abundant. Reached camp late about 4.30.

Jan. 17.

Stayed in Camp, wrote notes, packed, took pictures and read. We were visited twice today by a delegation of Somalis who want me to operate on one of their men. It seems one man was shot through the fleshy part of the thigh nine days ago but on account of the nature of the dispute they are afraid to take the man to the hospital at Dire Daoua. It was a question of theft. I refused to operate on the man because I had nothing but a jack knife, although I offered to pay his railroad expenses and the cost of operation at the hospital. The man would almost certainly die of blood poisoning if operated on here.

Jan. 18.

Broke Camp at 6 o'clock. Saw several gazelles in the hills. George and I each had unsuccessful shots. We passed the beautiful peaks of Mount Marmar, most weird and picturesque; rivalling in brilliance of colour the sunset scenes of Turner's Venice pictures.

We saw three wild boars, one as large as a burro, a magnificent beast, and larger than any I have ever seen or read of. We pursued them into the wood at top speed, but never got a shot.

We reached Lassarat at 2.30, finding a car awaiting us. The caravan came in at 3.30, the heat mirage casting weird outlines of the moving camels and men above the lava fields. The wind blows as it does in Wyoming, but there is very little dust. We camped (5[illegible]) in the station.

Jan. 19.

Last night there was a heavy dew and the sheet iron roof has dripped all around the house. George and I hunted early in the morning, wanting to take fresh meat to Major Rooney. Saw two gazelles but could not get a shot. No wild boars in sight. We had a long tramp, came in about 9 o'clock, loaded the mules and camp equipage on the car and discharged the camel men. The train pulled in about 12 and we reached Dire Daoua and headquarters early in the afternoon.

This finished our camel caravan and the end of the field work.

The mule caravan consisted of 42 mules and 2 horses with 40 servants.

Mule caravan left Dire Daoua September 27th. 1920 and arrived back in Dire Daoua December 23rd. 1920.

Camel caravan consisted of 5 camels, 2 mules and usually 17 servants mostly selected from main troop as best riflemen, Hassan as Headsman.

SUMMARY OF OIL PROSPECTS IN HARRAR PROVINCE.

For convenience of this consideration Harrar Province may be divided into three zones which, in the foregoing pages have been described in detail.

1. That zone north of the Harrar Plateau as far as the Hawash River is definitely eliminated owing to the enormous displacement, faulting and subsequent burial under lavas.

2. The western elevated zone comprising five-eighths of the area is condemned because of the fact that the entire region was elevated above sea level during Mesozoic times without folding.

Since that time the comparatively thin deposit of sedimentary rocks, composed almost exclusively of limestones, have been denuded and dissected by rivers down to the granite bedrock.

The beds are practically level as deposited and there is no protecting mantle of shales or clays to seal in any oil or gas had they ever been generated.

3. The third zone is that part east of Djidjiga and the Djerer River, the part of the Plateau that sagged below sea level during the early Tertiary. Of this area I have grave doubts but there are many elements in its favor. I will discuss them pro and con.

The full 3,000 feet of Jurassic and later sedimentary deposits are at places intact. Where broken along the coast in British Somaliland shales are intercallated through the base of the Jurassic series and oil seepage is found in several places notably at Herkasalada, near Lower Sheikh, vicinity of Berbera.

The eastern face of the plateau is sealed by igneous intrusions as seen between upper and lower Sheikh.

Flexures sufficient to have generated Hydrocarbons are present in British Somaliland and eastern Abyssinia. The area comprised between the Djidjiga intrusives and the Sheikh intrusives may be described as a broad monocline traversed by successive northwest-southeast anticlines and synclines.

The overlap of Eocene on Jurassic beds lies somewhere near the International boundary line - could not be determined. How much denudation was suffered by Jurassic strata during Cretaceous times before they were again covered by Eocene deposit is not clear.

The prime factor controlling an oil accumulation in eastern Abyssinia that is so doubtful is whether the shales, carrying oil exposed along the coast, extend that far west. They are not present in canyons throughout the western part of the Plateau nor are they seen on the north fractured wall. The presence of underlying shales is too doubtful to warrant a pioneer well on the favorable structure at Dallo (French map).

Conditions in Abyssinia do not justify the expense necessary to drill a pioneer test well in Harrar Province, but they are sufficiently correct to warrant combining resources and risks with a Company in British Somaliland, if feasible.

A test well could be drilled on favorable structures as that near Oadweina.

If shales are present in the lower Jurassic measures oil will probably result. If oil or shale are absent it would condemn all of the Plateau westward.

Oil discovered on the Plateau in British Somaliland would justify a test well on the favorable structure at Dallo, Abyssinia between Hargeisa and Djidjiga.

In reply refer to
TA -

Anglo-American Oil Company,

26 Broadway,

New York City.

June 8, 1921

Gentlemen: Attention of Mr. James Hamilton.

Reference is made to conversations at the Department on May 28, 1921, in which it was stated by Mr. Hamilton that he would be willing to supply further information regarding oil concessions in Abyssinia.

The Department will appreciate information on the following points: provisions of concessions claimed by Bayart Freres and of a concession said to have been acquired in 1920 by the Abyssinian Corporation, Ltd.; details of the agreement between Baghdassarian and Bayart Freres; whether the Abyssinian Government has formally ratified the agreement between the Abyssinian Corporation and the Anglo-American Oil Company for the division of Harar Province between the two companies; whether the Abyssinian Corporation continues to claim a concession or has turned back its concession to the Abyssinian Government; the name and nationality of the

representative

884.6363/57

representative of the Anglo-American Oil Company in Abyssinia; whether the Anglo-American Oil Company believes that the original Baghdassarian concession is valid; whether the Abyssinian Government has taken any action relative to the invalidation of the original Baghdassarian concession; whether the Anglo-American Oil Company has made any arrangements for transferring its oil rights to any subsidiary company or to any other company; the nature of the working understanding which is contemplated with the Anglo-Persian Oil Company.

Any information which you may furnish the Department will, if you so desire, be treated as strictly confidential.

I am, Gentlemen,

Your obedient servant,

For the Secretary of State:

Henry P. Fletcher

Under Secretary.

Alvey A. Adee.
June 1, 1921.

A true copy of the signed original

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aem
ACM:MHM

F.A.

N. M. Smith
SUCCESSOR TO
C. A. Eames.

26 Broadway

Office of Foreign Trade Advisers
Feb 19 1921
DEPARTMENT OF STATE

DEPARTMENT OF STATE.
JUL 12 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

New York, June 7th, 1921.

Ans drafted 6/14/21

SUBJECT.
DEPARTMENT OF STATE
JUN 12
WESTERN EUROPEAN AFFAIRS.

Copy to G. of London 6/14/21

Henry P. Fletcher, Esq.,
Under Secretary, Department of State,
Washington, D. C.

Dear Sir:-

Referring to yours of the 8th inst., - TA - and the conversation the writer had at your department on the 28th of May, I have much pleasure in furnishing the information, so far as we possess it here, on the various interrogatories which you addressed to me.

The Bayart concession, I find, is on file in our London office but I will have much pleasure in furnishing you with a copy on our return to London.

As I recall the particulars, Bayart Freres were to act as agents in the Abyssinian government and not as concessionaires in exploiting the mineral resources of Abyssinia.

In the agreement between the three powers, the Abyssinian government were not permitted to issue concessions which would give to any individual or any group a monopoly. This agreement called the Bayart concession authorized Bayart to act as agents of the Abyssinian government with a right to research in all Abyssinia, but wherever minerals were located, the government was to be notified and a permit obtained to operate. The French government would have no interest in this arrangement as it was a matter entirely between the Abyssinian government and the Bayart Frerers and not a concession, as usually understood. We have no copy of the concession granted to the Abyssinian corporation but understand it was an ordinary concession in which the corporation were given permission to exploit for minerals and petroleum throughout "The Eastern half of the province of Harrar." This concession, however, has now been surrendered.

Bayart Freres purchased a quarter interest in the Harrar concession which was granted to Baghdassarian and was a quarter interest in the old mineral concession which embraced the whole of the Harrar province held by Baghdassarian. We believed that the original Baghdassarian concession was valid but were advised by our representative, when in Abyssinia, that the Abyssinian government claimed that their prime minister, Halo Gorghas, now in prison in

Harrar, held a paper from Baghdassarian, agreeing to return the concession, whenever called for. The agreement between the Abyssinian corporation and the Anglo-American Oil Company for the division of the province of Harrar between the two companies and Baghdassarian, we were advised by the latter had been formally ratified and we hold a copy of what purports to be this ratification. We have sent to Abyssinia to ascertain its validity.

If Baghdassarian and Monsieur de Coppet, the French minister at Addis Ababa are correct, the Ras has ratified the old concession and the new one. The Abyssinian Corporation turned back this concession to the Abyssinian government and has no claim. It is reported that they received twenty thousand pounds from the government for the return of this concession. The surrender of this was advised to the American consul at Aden by H.B.M. Chargé d'Affaires, J. H. Dodd.

We have no representative in Abyssinia but our former interpreter Johannes Semerdjibashian, reports to us the progress of events in Abyssinia.

After the original Baghdassarian concession was issued and the letter referred to given to Halo Gorghas, a revolution broke out in 1916 and the ruler Lidj Yassou was deposed by Ras Taffari. Halo Gorghas was imprisoned, as we have already advised you and this paper came into possession of Atto Herroui, now director of the municipality of Addis Ababa, who informed the British Legation of this paper and so caused the breaking off of negotiations between Baghdassarian and the Abyssinian Corporation.

Respecting the understanding which we contemplate with the Anglo-Persian Oil Company, this is in a nebulous condition at present and we have hardly formulated the lines on which to approach the Directors connected with this company, but this we shall have much pleasure in furnishing you with at a later date. Probably we may be able to do this when we are sending you a copy of the Bayart concession.

Yours very truly,

James Hamilton

JH
P.

No. June 16, 1921.

~~CONFIDENTIAL.~~

Robert P. Skinner, Esquire,

American Consul General,

London, England.

Sir:

Reference is made to previous correspondence regarding the concession acquired by the Anglo-American Oil Company for the development of certain oil lands in Abyssinia.

There is herewith transmitted a letter from the Vice President of the Anglo-American Oil Company, which contains valuable information with reference to this matter.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

Alvey A. Adee,
June 17, 1921.

Enclosure:

Copy of letter dated June 7, 1921, from Mr. James Hamilton.

TA

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TA

884.6363/39

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN TRADE ADVISER

MEMORANDUM

June 14, 1921.

Mr. Hamilton's letter, to which reference is made in the accompanying correspondence, contains information which will be useful in case any question should arise regarding the Abyssinian situation. I do not see, however, that this information would lead us to take any further action on this matter at the present time.

FRF:MHM

Harvey A. Adee.
June 17, 1921.

June 18, 1921.

Hamilton.

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Assistant Secretary.

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TA

A true copy of the signed original

In reply refer to
TA - 884.6363/39

June 18, 1921.

Anglo-American Oil Company,
26 Broadway,
New York City.

Gentlemen: Attention of Mr. James Hamilton.

Your letter of June 7, 1921, with reference to oil concessions in Abyssinia, has been received in the Department.

The information contained in your letter will undoubtedly prove valuable and your courtesy in transmitting this information is fully appreciated.

I am, Gentlemen,

Your obedient servant,

For the Secretary of State:

F. M. Dearing,
Assistant Secretary.

884.6363/39

Alvey A. Adee.
June 17, 1921.

FRF:MHM
TA

A true copy of the signed original

In reply refer to
TA 884.6363/39

September 9, 1921

My dear Mr. Secretary:

I beg to acknowledge the receipt of a letter dated August 30, 1921, addressed to Mr. Millspaugh, enclosing a copy of a confidential report from the American Commercial Attaché at London, relative to the alleged failure of the Anglo-American Oil Company to obtain a petroleum concession in Abyssinia.

The Commercial Attaché's report is not in accord with the information in the possession of this Department. It is of a later date, however, and an inquiry regarding the present status of the concession is accordingly being transmitted to the American Consul General

The Honorable
Herbert C. Hoover,
Secretary of Commerce.

884.6363/39

General at London. When a report on the subject is received from the Consul General, a copy will be sent to your Department.

I am, my dear Mr. Hoover,

Sincerely yours,

F. M. DEARING.

Alvey A. Adee.
Sept. 8, 1921.

WWC TA:ACM/HMC:SS-MAF

September 8, 1921.

Robert P. Skinner, Esquire,
American Consul General,
London, England.

Sir:

Reference is made to the Department's mail instruction of June 16, 1921, relative to the concession acquired by the Anglo-American Oil Company for the development of certain oil lands in Abyssinia.

The attention of the Department has been called to a report from the Commercial Attaché at London, dated May 31, 1921, giving the substance of an interview with Mr. Barnum Brown and setting forth that the Company had failed to obtain a concession. A copy of the Commercial Attaché's report is transmitted herewith, to serve as the basis of a further report from you, in which you will inform the Department regarding the present status of the activities of the Anglo-American Oil Company in Abyssinia.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

Chief, Division of Near Eastern Affairs.

Enclosure:
From Commercial
Attaché at London,
dated May 31, 1921.

884.6363/39
TA:ACM/EMC*SS

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

TA (O.K.M.):

I have read a large number of Consul Southard's reports, political as well as commercial, and have found them unusually precise and illuminating.

H.H.D.

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ject of the Anglo-American oil concession in Abyssinia.

On Page 2 of Consul General Skinner's despatch of January 20, 1921, File No. 863, my statement concerning a certain phase of the Bayard activities in Abyssinia is questioned. I should like to place on record that the statement referred to was made as a result of direct conversations held in Adis Abeba in August, 1920, with H. H. Ras Tafari, the French Minister, and the then resident representative of the Bayard interests.

The Bayard concession for the whole of Abyssinia apparently given in May, 1919, was brought to me in draft form

in

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OFFICE OF THE
FOREIGN TRADE ADVISER

MEMORANDUM

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On Page 2 of Consul General Skinner's despatch of January 20, 1921, File No. 863, my statement concerning a certain phase of the Bayard activities in Abyssinia is questioned. I should like to place on record that the statement referred to was made as a result of direct conversations held in Adis Abeba in August, 1920, with H. H. Ras Tafari, the French Minister, and the then resident representative of the Bayard interests.

The Bayard concession for the whole of Abyssinia apparently given in May, 1919, was brought to me in draft form

in

No. 650

DEPARTMENT OF STATE.
JUN 7 1921
DIVISION OF NEAR EASTERN AFFAIRS

AMERICAN CONSULATE

Jerusalem, Palestine, May 16, 1921.

CONFIDENTIAL

SUBJECT: Exploitation of Abyssinian Oil Concession by American Interests.

STRICTLY CONFIDENTIAL

Office of Foreign Trade Advisor.
JUN 22 1921
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

[redacted]

SIR:

I have the honor to refer to the Department's instructions of February 11 and 19, 1921, respectively, addressed to Aden, and transmitting copies of despatches from the American Consul General at London with reference to the petroleum concession in Abyssinia recently obtained by the Anglo-American Oil Company, Limited.

CONSULAR BUREAU DEPT OF STATE JUL 9 1921

Reference is respectfully made to the opinion of Consul General Skinner that there were certain inaccuracies of detail in my despatch of November 11, 1920, on the subject of the Anglo-American oil concession in Abyssinia.

On Page 2 of Consul General Skinner's despatch of January 20, 1921, File No. 863, my statement concerning a certain phase of the Bayard activities in Abyssinia is questioned. I should like to place on record that the statement referred to was made as a result of direct conversations held in Adis Abeba in August, 1920, with H. H. Ras Tafari, the French Minister, and the then resident representative of the Bayard interests.

The Bayard concession for the whole of Abyssinia apparently given in May, 1919, was brought to me in draft form in

in March, 1919, at which time I was in Adis Abeba, by a confidential representative of H. H. Ras Tafari, with the request of the Ras that I express an opinion in writing thereon. I refused, of course, to give any opinion in writing, but did express the verbal opinion to the confidential representative that such a concession could not be legally issued as it would violate the agreement of 1906 between Britain, France, and Italy. I still maintain that opinion.

On Page 3 of Consul General Skinner's despatch of January 20, 1921, the opinion is expressed that I was wrong in stating that the French protest was based upon Article Four of the tripartite agreement of 1906. I should like to place on record that my statement to that effect was made after conversation in Adis Abeba with M. de Coppet, French Minister to Abyssinia, in which he directly informed me that the protest which he was on that very day dictating was based upon said Article Four.

The tripartite agreement of 1906, quoted in substance by Consul General Skinner, is on file in the Aden Consulate, together with considerable other data on Abyssinia which I collected, often with difficulty, during my charge of the Aden Consulate.

As stated in my later reports from Aden the original concession sold by Hagop M. Baghdassarian to the Anglo-American Oil Company, Ltd., was not in my opinion a valid or legal concession for the reason that it did not bear the seal of the ruler of Abyssinia. This statement was based upon a personal examination which I made of the concession and upon

the statement

the statement to me of the ruler of Abyssinia that no concession was valid unless it bore his seal. At present any concession issued must carry the seals of both H. H. Ras Tafari and of Queen Zeodito in order to be valid.

The British Corporation concession for a half of Harrar Province was issued some months before the new Baghdassarian concession of August, 1921, for the remaining half of Harrar Province. The latter concession, under which the Anglo-American Company has been prospecting, was issued only after I proceeded to Adis Abeba upon the instruction of the Department of State. Prior to my arrival in Adis Abeba in August, 1921, the representatives of the Anglo-American Company had been prevented by Baghdassarian as general agent of the company in Abyssinia from seeing the Ras on concession matters. Baghdassarian himself had been unable to secure the issuance of the new concession. Major Rooney, of the Anglo-American Company will, I believe, support this statement.

The foregoing paragraph, which is but a condensed extract from reports previously made from Aden, is written in order to controvert any possible claim of certain French interests that letters of introduction or otherwise which they gave Dr. Barnum Brown, geologist of the American company, were of any particular value in obtaining the concession under which the American interests have carried out their prospecting in Abyssinia. Letters of introduction which Dr. Brown had to French officials in Djibouti were of undoubted help in clearing the expedition's equipment

through

through the port of Djibouti, but that they or any other letters which he had were of help in the actual concession negotiations in Adis Abeba is not borne out by observations made on the ground at the time.

It is my conviction that if the American interests decide to take up active exploitation work in Abyssinia they should enter into direct negotiations with the Abyssinian government, entirely eliminating Baghdassarian or any other middleman, and make an entirely new concession agreement. This would not be easy but I am convinced that it could be done if taken up after a thorough and competent study of the special conditions prevailing in Adis Abeba.

I wish to emphasize my deference to Consul General Skinner's opinions on the Abyssinian oil concession matter and this despatch is written only to explain the bases upon which the questioned statements were made and thus to avoid, if possible, any impression of careless inaccuracy in the work which I was privileged to do in Abyssinia on behalf of the Anglo-American Oil Company, Ltd. Consul General Skinner should be and is recognized, by myself, as well as by all others interested, as an authority on Abyssinian affairs. A copy of this despatch will be forwarded to him.

I have the honor to be, Sir,

Your obedient servant,

[signature]

American Consul in Charge.

File No. 123/863

AES/LMF

IIA 799

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN

MEMORANDU

JUL 14 1921
DEPARTMENT OF STATE

May 27, , 1921.

MEMORANDUM OF CONFERENCE ATTENDED BY ASSISTANT SECRETARY DEARING, MR. F. E. POWELL, CHAIRMAN OF THE ANGLO-AMERICAN OIL COMPANY, MR. J. HAMILTON, VICE-PRESIDENT OF THE ANGLO-AMERICAN OIL COMPANY, and MR. A. C. MILLSPAUGH.

File No. 463.1163/4
JUL 14 1921
FILED

SUBJECT: THE ANGLO-AMERICAN OIL COMPANY'S CONCESSION IN ABYSSINIA.

Mr. Powell and Mr. Hamilton came to the Department bearing a letter of introduction from Consul-General Skinner. Mr. Powell recited the facts regarding the company's concession which are embodied in my memorandum of April 25. He brought out, however, the following additional points:

The Anglo-American Oil Company's expedition to Abyssinia had been assisted by certain French officials and the feeling of the French and British toward the enterprise had been distinctly friendly. Mr. Powell stated that the Queen of Abyssinia is pro-British and the Regent is pro-French, and that both together may be looked upon as pro-American. He said they have a high regard for Americans on account of the disinterestedness of this country. The Anglo-American Oil Company's expedition had been regarded purely as an American enterprise. He stated

that

that the northeastern half of Abyssinia shows no signs of petroleum. This part of the country has subsided 4000 feet and has been covered with lava. The French control the railroad in Abyssinia and desire to encourage any enterprises that are likely to make the railroad pay. The French are friendly but want to maintain themselves in a position of equality with other foreign interests.

Mr. Powell stated that after the company had obtained its concession in Abyssinia, he was surprised to receive a letter from the French official who had provided the party with a letter of introduction, saying that the letter of introduction had been used in a manner detrimental to French interests. The French firm of Bayart Freres have a concession covering all of Abyssinia but the concession is merely for prospecting and under it the company would act merely as agents of the Abyssinian Government.

Mr. Powell said that he had been visited by the Solicitor for McKelvie, the Englishman who possesses a contingent interest in the concession, that the Solicitor was also the Secretary of Lloyd George, and that he gave every evidence of friendliness.

Mr. Powell said that Bayart Freres and other French interests are anxious to join with the Anglo-American Oil Company.

Mr. Powell

Mr. Powell said that prospecting in the country showed the possibility of petroleum. The Anglo-Persian Oil Company is prospecting in British Somaliland and no oil can be exported from Abyssinia except through British or French territory. It is, therefore, necessary to have the goodwill of the British and French, and the Anglo-American Oil Company now proposes to affect a working arrangement with the Anglo-Persian Oil Company in return for pipeline privileges through British Somaliland. He stated that the company proposes the following steps: First, to complete its prospecting work, second, to organize an American company to develop the concession, and third, to approach the Anglo-Persian Oil Company with respect to a working agreement. In answer to a question whether under this agreement American interests would be in control of the oil, Mr. Powell stated that American interests would control their share of the oil and would probably establish an oil fuel station at Djibuti or Aden.

Mr. Powell emphasized the friendly feeling toward American interests in Abyssinia and the important potential resources of the country and also touched upon a rumor to the effect that the British at one time had territorial designs on the whole country. He emphasized the fact that the British and the French have diplomatic representatives in Abyssinia and that the Abyssinian

people

people are much impressed by show. He brought out the point that American representation in Abyssinia is necessary and that such a representative should be of equal or higher rank than the representatives of Great Britain, France, and Italy. Mr. Dearing suggests that the representative should be a man of sufficient qualifications and should be given the rank of Envoy Extraordinary and Minister Plenipotentiary, just as during the war we gave such a title to various American officers in Russia.

In a conversation on the side between Mr. Millspaugh and Mr. Hamilton, Mr. Hamilton stated that the Abyssinian Corporation had turned back its concession to the Abyssinian Government, that there was no longer any question of opposition from French or British and that the company had no doubt regarding the validity of its concession.

aem

TA ACM SGE

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN TRADE ADVISER

MEMORANDUM

May 31, 1921

Office of Foreign Trade Advisor
JUL 13 19...
DEPARTMENT OF STATE

MEMORANDUM OF A CONVERSATION WITH MR. JAMES HAMILTON, DIRECTOR OF THE ANGLO-AMERICAN OIL COMPANY, MAY 28, 1921.

I pointed out to Mr. Hamilton a number of questions on which we desire information with respect to the Anglo-American Oil Company's concession in Abyssinia. He asked me to put the questions in a letter and said that he would be pleased to reply in writing.

Mr. Hamilton stated that the Anglo-American Oil Company did not at present contemplate any opposition from the French or the British. He did not intimate that the company was in need of diplomatic support. He said that the company expected to approach the Anglo-Persian Oil Company, which is operating in British Somaliland, and that it hoped to give the Anglo-Persian Oil Company a share in the Anglo-American Oil Company's operations in Abyssinia in return for pipeline privileges through British Somaliland. He said that he thought the Anglo-Persian Oil Company might be given a one-third share.

In reply to the question whether the Anglo-American Oil Company had sought the support of the British Government,

ment, Mr. Hamilton replied that it had not but that Mr. McKelvie, who owns a contingent interest in the concession, had undoubtedly taken the matter up with the British Foreign Office. Mr. Hamilton stated that the Anglo-American Oil Company expected to continue operations in Abyssinia. He said that no arrangements had been made yet for transferring the concession to any other American company but that he thought that it would be transferred to an American controlled company called the American Ethiopian Company. In reply to the question, - What specific evidence is there that the British Government has opposed the Anglo-American Company concession? - Mr. Hamilton said that there was none but that, on the contrary, the British had been favorably disposed.

Mr. Hamilton said that he did not see any need for an American diplomatic representative in Abyssinia and that, if such a representative were stationed there, he would have nothing to do.

acm

ACM:MHM

DIVISION OF

FAR EASTERN AFFAIRS

DEPARTMENT OF STATE

JUL 6 1921

DIVISION OF
WESTERN EUROPEAN AFFAIRS.

W.W.O.

Memorandum

July 2, 1921.

It has been arranged, tentatively, that Dr. Richardson shall handle India (and British Malaya), although no final decision has, to my knowledge, been reached concerning the division of East Indian territory.

I have gladly complied with your request and if you feel that this case should go to WE you can so refer it.

FE-JLD/JMH-SS

ERIOR

SURVEY

nuary 27, 1921.

Handed to me by Mr. Fleming on July 6, 1921. Not seen by me previous to that date. A.W.

Consul at Aden

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No. 21514), mention

of correspondence

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Spencer

JUL 11 1921

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774.99

DEPARTMENT OF THE INTERIOR

5u UNITED STATES GEOLOGICAL SURVEY

WASHINGTON

DIVISION OF MINERAL RESOURCES

January 27, 1921.

Ans'd 7/6/21. acm

Full aeln

Handed to me by Mr. Flemming on July 6, 1921. Not seen by me prior to that date. A.C.S.

Mr. Wesley Frost,
Acting Foreign Trade Adviser,
Department of State, Washington, D. C.

My dear Mr. Frost:

In the report of the American Consul at Aden on the exploitation of the Abyssinian concession by the Anglo-Persian Oil Co., Ltd., under date of December 15, 1920 (No. 21514), mention is made of inclosures Nos. 1, 2, 3, and 4, copies of correspondence relating to the concession, which were not forwarded to the Geological Survey with the report. Will you kindly advise me where these papers are filed, in order that the proper notation may be made on the consular report.

Yours very truly,

Arthur C. Spencer

Arthur C. Spencer,
U. S. Geological Survey Representative,
Laiason Economic Committee.

774.99/6363

JUL 11 1921 FROM

774.99/6363

In reply refer to
TA -

July 6, 1921.

Dr. Arthur C. Spencer,
United States Geological Survey,
Department of the Interior,
Washington, D. C.

My dear Dr. Spencer:

My attention has just been called by Dr. Millspaugh to your letter of January 27, 1921, stating that the Geological Survey did not have in its possession copies of the enclosures to a despatch from the American Consul at Aden, dated December 15, 1920. Your letter was inadvertently held without action and was not seen by either Dr. Millspaugh or myself until to-day. We both regret the delay and hope that it has not been the cause of inconvenience to you.

I take pleasure in transmitting to you an additional copy of the report referred to, together with a full set of its enclosures.

Very truly yours,

Alvey A. Adee.
July 7, 1921.

Foreign Trade Adviser.

A true copy of the signed orig

Enclosures:
As above
item stated.

ACM:MHM
TA

84/6363/43

884.6363

No. 33.

Office of Foreign Trade Advisor
AUG 29 1921
DEPARTMENT OF STATE

INCOMING CORRESPONDENCE
AUG 29 1921
DEPT. OF STATE

AMERICAN CONSULATE,

Aden, Arabia, July 27, 1921.

SUBJECT: Oil Concessions in Abyssinia. (Banca Commerciale Italiana).

DEPARTMENT OF STATE
AUG 30 1921

884.6363

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to refer to my despatch No. 30. of July 12, 1921, (File No. 863), in the above matter and to report further that I have from seemingly reliable source the information that the Banca Commerciale Italiana has never held any concessions or rights to Abyssinian oil fields. This information was obtained from a member of the Abyssinian Corporation and who has been many years in Abyssinia. I believe is thoroughly competent to discuss such affairs.

AUG 31 1921 F

From the same source I have the information that for some years the Italians have attempted to obtain mineral rights in the province of Gojam, northwest of Adis Ababa, but that they have not been successful. At present, it is said, there is an Italian, graduate of the University of Leeds, in Abyssinia for the ostensible purpose of game shhoting but it is more likely that he is there looking up prospects for oil and mineral rights in this province. The probability of success seems remote.

I have the honor to be, Sir,

Your obedient servant,

Harry M. Lakin

American Consul.

File No. 863.

Office of Foreign Trade Advisor
AUG 29 1921
DEPARTMENT OF STATE

INDEX BUREAU
AUG 29 1921
DEPT OF STATE

No. 30.

AMERICAN CONSULATE.

Aden, Arabia, July 12, 1921.

SUBJECT: Oil Concessions Banca Commerciale in Abyssinia.

DEPARTMENT OF STATE
AUG 30 1921

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

SIR:

I have the honor to acknowledge receipt of Department's instruction of February 26, 1921, in reference to oil concessions made in Abyssinia by the Banca Commerciale Italiana to the Standard Oil Company.

Immediately upon receipt of instruction, I addressed inquiries to parties in Abyssinia who I believed would be able to give details in this matter, but up to the present have been unable to learn anything definite. I have again to-day made further inquiries and as soon as any certain information is at hand, I shall advise the Department of State promptly. Due to the present very unsettled conditions politically in Abyssinia it is almost impossible to obtain even a reply to inquiries.

I have the honor to be, Sir,

Your obedient servant,

Harry B. Lakin

American Consul.

AUG 31 1921 F

File No. 863.

IA. jp

884.6363

INDEX BUREAU
SEP 2 1921
Dept. of State.

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON

August 31, 1921.

Office of Foreign Trade Advisor
SEP 3 1921
DEPARTMENT OF STATE

September 9, 1921
IN REPLY REFER TO 16

Mr. Wilbur J. Carr,
Director, Consular Service,
Department of State,
Washington, D. C.

SEP 2

Dear Mr. Carr:

Attention Dr. Millspaugh.

There is inclosed herewith a copy of a report sent to this Bureau by Commercial Attaché Alfred P. Dennis relative to the failure of the Anglo-American Oil Company to obtain oil concessions in Abyssinia. This material was communicated to Dr. Dennis by Mr. Brown, Geological Expert for the Anglo-American Oil Company. Dr. Dennis' report is dated May 31, 1921.

Very truly yours,

Julius Klein,
Director.

Inclosure 19513

INDEX BUREAU
884.6363/46

Filed
SEP 11 1921
F

Rec'd acknowledgment from Dr. Hoffman, Asst. to Mr. Klein, Aug 30, 1921, & ack.

CLOSURE 19513

FROM

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

Form 9 11—3866

...RCIAL ATTACHE, LONDON, ON THE FAILURE

...CONCESSIONS IN ABYSSINIA.

...

A representative of the Anglo-American Oil Co., Mr. Brown, Geological Expert, who has just arrived in London from Abyssinia, reports that country as being about twice the size of the State of Texas, with promising areas for petrol and exploitation.

What appeared to be a perfectly good concession was obtained from the Abyssinian Government through an intermediary (Haimb Baghdassarian, a French naturalized citizen of Armenian birth).

This representative of the American Company went to Abyssinia for the purpose of petrol and exploration. It seems that on the political side of the country is administered under a form of dual empire consisting of a Queen and a young Prince (Ras Tafari). Expensive gifts were bestowed by Mr. Brown upon the two rulers and gratefully accepted. Among these gifts may be mentioned an electric light installation for the Royal Palace, consisting of generators, dynamos, wrist watch were presented by the Queen and solid gold watches were shown to all members of the Royal [illegible], with [illegible] through the hierarchy of officialdom. The expenses of this [illegible] to not less than £50,000. Without going into the [illegible] it is enough to say that the concession turned out to be relatively worthless. Indeed about half of the territory included in the original concession to the American Company was later granted to a rival concern supported by British capital.

Mr. Brown attributes the failure of his enterprise to the double dealing of the Armenian intermidiary. He states that it is more than likely that Haimb will offer further concessions in Abyssinia to Americans and that our authorities should be forewarned that the representations of this man are not to be relied upon.

WILLIAM DAWSON

COPY BY ALFRED P. DENNIS, AMERICAN COMMERCIAL ATTACHE, LONDON, OF THE FAILURE OF AMERICAN COMPANY TO OBTAIN OIL CONCESSIONS IN ABYSSINIA.

****

A representative of the Anglo-American Oil Co., Mr. Brown, Geological Expert, who has just arrived in London from Abyssinia, reports that country as being about twice the size of the State of Texas, with promising areas for patrol and exploitation.

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In reply refer to
TA 884.6363/46

September 9, 1921

Mr. Julius Klein,

Director, Bureau of Foreign

and Domestic Commerce,

Department of Commerce,

Washington, D. C.

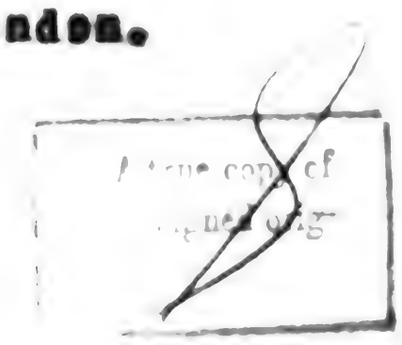
Sir:

I beg to acknowledge the receipt of your letter of August 31, 1921, enclosing a copy of a report by the Commercial Attaché at London, relative to the alleged failure of the Anglo-American Oil Company to obtain oil concessions in Abyssinia.

Your courtesy in calling my attention to this matter is appreciated and an inquiry on the subject is being sent to the American Consul General at London.

I am, Sir,

Your obedient servant,



Wilbur J. Carr

Director, Consular Service.

TA:ACM/MAF:SS

884.6363/48

FA Jmcn

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

File acm

Office of Foreign Trade Advisers
SEP 13
DEPARTMENT OF STATE

File acm

August 30, 1921.

September 9, 1921

IN REPLY REFER TO _____

Dr. A. C. Millspaugh,
C/o Foreign Trade Adviser,
Department of State,
Washington, D. C.

ack. 9/2/21 Dupl. to C-G. London.

My dear Dr. Millspaugh:

We are enclosing herewith copies of a confidential report from Alfred P. Dennis, American Commercial Attache at London, on the failure of an American company to secure an oil concession in Abyssinia, which we believe will be of interest to you.

Very truly yours,

O. P. Hopkins,
Assistant Director.

Enclosure 20305

INDEX BUREAU
PLACED
SEP 13 1921 F
893.6363/47

ADDRESS ALL COMMUNICATIONS TO
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON, D. C.

COPY

United States
Department of Commerce
Bureau of Foreign and Domestic Commerce

Office of Commercial Attache'
London, England.

31 May, 1921.

Director,
Bureau of Foreign and Domestic Commerce,
Department of Commerce,
Washington, D.C.

SUBJECT: Failure of American Company to secure oil concession in Abyssinia.

Mr. Brown, Geological expert for the Anglo-American Oil Co., spent more than an hour with us this morning. He is just in from Abyssinia and the story of his failure to secure an oil concession for an American Company (the Anglo-American Oil Co. subsidiary of the old Standard Oil Co.) is not without interest for the Bureau.

(Signed) Alfred P. Dennis,
Alfred P. Dennis,
American Commercial Attache.

Incl.
d-d

COPY

United States
Department of Commerce
Bureau of Foreign and Domestic Commerce

Office of Commercial Attache'
London, England.
Confidential - A.P.D.

LONDON, 31 May, 1921.

FAILURE OF AMERICAN COMPANY TO SECURE OIL CONCESSION IN ABYSSINIA.

BY -

Alfred P. Dennis,
American Commecial Attache,
LONDON.

Mr. Barnum Brown, Geological Expert for the Anglo-American Oil Co., has just arrived in London from Abyssinia. He reports that country as being about twice the size of the State of Texas, with promising areas for petroleum exploitation.

What appeared to be a perfectly good concession was obtained from the Abyssinian Government through an intermediary (Hakob Baghdassarian, a French naturalized citizen of Armenian birth) Mr. Brown with this concession in his pocket went to Abyssinia for the purpose of petroleum exploration. It seems that on the political side the country is administered under a form of dual empire consisting of a Queen and a young Prince (Ras Rafari). Expensive gifts were bestowed by Mr. Brown upon the two rulers and gratefully accepted. Among these gifts may be mentioned a complete electric light installation for the Royal Palace. A diamond necklace and diamond

wrist watch were accepted by the Queen and solid gold watches were given to all members of the Royal Family, with presents of lesser value down through the hierarchy of officialdom. The expense of this preliminary undertaking amounted to not less than £50,000. Without going into the intricacies of the matter it is enough to say that the concession turned out to be relatively worthless. Indeed about half of the territory included in the original concession to the American Company was later granted to a rival concern supported by British capital.

Mr. Brown attributes the failure of his enterprise to the double dealing of the Armenian intermediary. He states that it is more than likely that Hakob will offer further concessions in Abyssinia to Americans and that our authorities should be forewarned that the representations of this man are not to be relied upon.

(Signed) Alfred P. Dennis,
Alfred P. Dennis,

American Commercial Attache.

d-d

38302

No. 11849.

AMERICAN CONSULATE GENERAL,

London: England.

September 30, 1921.

SUBJECT: ~~CONFIDENTIAL.~~

Concession of Anglo-American Oil Company in Abyssinia.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

~~STRICTLY CONFIDENTIAL~~

I have the honor to acknowledge the receipt of the Department's instruction of September 3, 1921 (884.6363/39) bringing to my attention a report from the Commercial Attaché at London, dated May 31, 1921, from which it would appear that the Anglo-American Oil Company failed to obtain a concession for the development of certain oil lands in Abyssinia.

I regret to state that Mr. Dennis, usually well informed, has conveyed an entirely erroneous impression to the Department of Commerce in speaking of the failure of the Anglo-American enterprise and in mentioning that "the concession turned out to be relatively worthless".

The facts in regard to the efforts of the Anglo-American Oil Company (the British branch of the Standard Oil Company) to obtain a foothold in Abyssinia have been reported from time to time to the Department by myself, and are very comprehensively and accurately set forth in my No.11244 of May 6, 1921.

Undoubtedly a great deal of intrigue and double dealing attended the appearance of the American party in Abyssinia.

The original concession from Hagob Baghdassarian was attacked, and eventually, as a means of securing what seemed

ACKNOWLEDGED
DEPT. OF STATE
OCT 17 1921

to be a good title, the Anglo-American Oil Company consented to the acceptance of a new concession consisting of approximately half of the territory included in the original concession while the other half was taken up by the Abyssinian Corporation, Limited.

The Department will observe from my No. 11244 of May 6, 1921, page 2, paragraph f that the ratification of the new concession was received eventually in London, and is believed to be a genuine document and there the matter rests, as far as I am aware, from a legal point of view.

I saw Doctor Barnum Brown on numerous occasions after his return from Abyssinia. I do not understand that he is a permanent employee of the Standard Oil Company, but he is a very intelligent paleontologist, and a Curator of the American Museum of Natural History. In this capacity he is now proceeding to India and to Ceylon to complete some very interesting investigations respecting prehistoric man.

Doctor Barnum Brown told me conversationally that undoubtedly there had been very great deposits of petroleum in Abyssinia in the territory for which the Anglo-American Oil Company held a concession; but that, perhaps, owing to the nature of the earth's crust in that country, it may have escaped, and, finally, in order to exploit the basin commercially, the oil should be drawn from the other side of the mountain range in British Somaliland, in territory which I understand to be controlled by the Anglo-Persian group.

I judge it possible, and, perhaps, probable that the Anglo-Persian group have not discovered petroleum in any great quantities in their own territory, and it is therefore within the range of the conceivable that some terms may be made eventually between these rival interests for the joint exploitation of the whole area.

I gathered from Doctor Barnum Brown that the Standard interests in this country had given up Abyssinia for the time being; at all events, they have withdrawn their exploring party, and unless something is in view, of which I know nothing, no steps are now being taken in the direction of commercial exploitation.

It will be observed from the above that while there is no immediate likelihood that Abyssinia will become producing territory in the near future, on the other hand, the concession itself was followed by the American interests through the maze of intrigue which surrounded it, and was eventually secured in a legally satisfactory form.

Since dictating the foregoing, I have obtained from the Anglo-American Oil Company (for the Department's confidential information) a further confirmatory statement of my reports as follows:-

"In the matter of the Abyssinian oil matter,- Mr. Powell says that your report of September 30, 1921, states the facts as he understands them, and that he has no corrections to offer.

He says further, in this connection, that although the Anglo-American Company obtained the

"concession referred to and in due legal form, and expect to retain it, that they have no present purpose of starting any development work there. He says that the Abyssinian oil lands, and the territory comprized in the Anglo-American concession, are on high ground and that the Anglo-Persian holdings in Somaliland are on the low land between Abyssinia and the sea, and that it would be necessary to negotiate with the latter for pipe line rights to the coast, wherefore the Anglo-American Company has determined, as a business proposition, to do nothing in the matter for the present and to await some move on the part of the British Company in the Somaliland field when an arrangement may be sought. The Anglo-American Company believes, relying upon the report of Doctor Brown, that there is oil in the Abyssinian field to which it has the concession, and it also believes that the head and source of the oil field is on their premises. It is anticipated that the Anglo-Persian Company will institute some development and experiment in the lower area within its territory, which according to Doctor Brown will confirm the belief of the Anglo-American Company that the source is

really

"really in the Abyssinian highlands held by them".

I have the honor to be, Sir,

Your obedient Servant,

American Consul General.

863.
RPS.MH.

For documents cited in this memo., see

884.6363/49.

M.B.G.

DEPARTMENT OF STATE

OFFICE OF THE FOREIGN TRADE ADVISER

MEMORANDUM

Office of Foreign Trade Advisor
FEB 25 1922
DEPARTMENT OF STATE

ASSISTANT SECRETARY
APR 25 1921
DEPARTMENT OF STATE

INDEX BUREAU
Rec'd: April 25, 1921

FEB 15 1922

Dept. of State.

~~Dr. Cumberland:~~
Mr. Bearing: ✓
The Secretary:

In a memorandum, dated March 23, 1921, the British Embassy at Washington inquired whether the United States Government would associate itself with the British Government in demanding arbitration of the question of the validity of the Amory Concession in Costa Rica, suggesting that a somewhat similar case has arisen in Abyssinia, "Where a British subject, acting on behalf of an Anglo-American oil company, has asked for the support of his Majesty's Government in maintaining the rights obtained by a concession", and stating that the British Government is anxious in both cases to cooperate with the United States Government in bringing about a fair and impartial consideration of claims in which nationals of both countries are interested.

The proposal of the British Embassy appears so significant and the matter of policy involved is so important that I believe the Secretary will wish me to summarize in detail the Department's information on the Abyssinian situation. He is already familiar with the Costa Rican situation.

(1). The Anglo-American Oil Company, Ltd.

The "Anglo-American oil company" referred to in the British Ambassador's memorandum is the Anglo-American Oil Company, Ltd., incorporated in the United Kingdom in 1888. It was then an importing and marketing subsidiary of the Standard Oil Company. It is now said to be an independent company. According to the officials of the company about 80 per cent of its stock is owned by Mr. Rockefeller and his associates and the British share holders are said to exercise no influence over the affairs of the company. The company states that the British Government treats the company as a purely American interest. It is also the declared intention of the company to transfer the Abyssinian concession in which it is interested to a strictly American company.

(2). The Baghdassarian Concession.

H. M. Baghdassarian, an Armenian resident of Abyssinia, obtained on August 26, 1915, from the Abyssinian Government a concession covering the mineral deposits, including petroleum, in the entire province of Harrar. The concession stipulated that work must commence before August 26, 1920.

At

At the time the concession was obtained, the Prime Minister was an Abyssinian Chief named Haile Georgis. The heir to the throne and nominal ruler of the country was Lij Yasu. There is no copy of the concession in the Department; but it is stated that it bears the seal of Haile Georgis and not that of Lij Yasu. Upon the deposition of Lij Yasu in 1916, Haile Georgis was thrown into chains and has been a political prisoner ever since. When Ras Tafari became Prince Regent and actual ruler of the country, he repudiated many of the acts of the previous Prime Minister Haile Georgis. The concession was allowed to stand; but it appears that Baghdassarian knew that its validity was questionable since it lacked the seal of the then nominal ruler.

Early in 1920, the Abyssinian Corporation, Ltd., began negotiations with Ras Tafari for a concession covering Harrar Province. The Abyssinian Corporation, Ltd., is a British company, which was incorporated apparently at the request of the British Foreign Office for the purpose of cooperation with the Abyssinian Government, and the Corporation is said to enjoy the special favor of the Foreign Office.

It appears that Ras Tafari desired Baghdassarian to come to an arrangement with the Abyssinian Corporation and that Baghdassarian knew that Ras Tafari would approve and legalize any such arrangement. Unable to come to an agreement with the Abyssinian agent of the Corporation, Baghdassarian decided to take the concession to London; and he promised Ras Tafari that he would open negotiations with the London office of the Corporation. When in London, apparently with the connivance of one H. H. Topakyan, formerly Persian Consul-General at New York, Baghdassarian induced the Anglo-American Oil Company, Ltd., to enter into an agreement for the exploitation of the concession. The Department does not possess the precise terms of this agreement.

(3) The Abyssinian Corporation Concession.

Apparently learning of Baghdassarian's deal with the Anglo-American Oil Company, the British Legation in Abyssinia and the Corporation induced Ras Tafari to grant a concession to the Corporation for the eastern half of Harrar Province, at the same time invalidating the Baghdassarian Concession. The Department does not have a copy of this concession.

(4) French Interest in Baghdassarian Concession.

Before negotiating with the Anglo-American Oil Company, Baghdassarian and Topakyan had sold a quarter interest

in

in the concession to Bayart Freres. After negotiating with the Anglo-American Oil Company, Baghdassarian and Topakyan reached an agreement with the French interests for the repurchase of the quarter interest. Bayart Freres were given a check, which when presented was not honored; but it is claimed that the funds were in New York at the time and that the failure to make payment resulted from a technical error on the part of Bayart Freres. When the latter learned that the Anglo-American Oil Company had bought the concession, they ceased to press for the payment of the check and still claim to own a quarter interest in the concession.

(5). Support of the Anglo-American Oil Company by this Government.

The Anglo-American Oil Company sent an expedition to explore the Baghdassarian Concession and applied to the Department of State for assistance. The Department instructed the American Consul at Aden to proceed to Addis Abeba.

(6). New Baghdassarian Concession.

The American Consul upon his arrival persuaded Ras Tafari to issue a new concession to Baghdassarian, covering the western half of Harrar Province, containing a proviso that the oil rights should be worked by the Anglo-American Oil Company under the previous agreement made with Baghdassarian in London.

(7). Arrangement between the Anglo-American Oil Company and the Abyssinian Corporation.

Following [redacted] conversations between the American Consul and the Representative of the American company on the one hand and the British Charge d'Affaires and representatives of the Abyssinian Corporation on the other, the two companies entered into an agreement with respect to the division of the Province. This agreement was signed in the presence of the British Vice Consul, the American Consul, and the interpreter of the British Legation. To become completely binding, the contract required only the formal approval of the Abyssinian Government. The American Consul-General at London believes that, after the signature of the Agreement, the British Charge d'Affaires induced the Abyssinian Government to withhold its assent to the Agreement. The Consul-General states, however, that unofficial information has been received in London that the Abyssinian Government has ratified the Agreement. The Department does not possess a copy of this Agreement.

(8). French Protests.

The French Minister in Abyssinia protested the approval of the agreement between the Anglo-American Oil Company and the Abyssinian Corporation, on the ground that it is in conflict with the Agreement of 1906 between Great Britain, France, and Italy, relating to Abyssinia. A copy of this Agreement is in the file.

(9). Abyssinian Corporation Concession turned back.

According to the Consul-General at London, it is now understood that the Abyssinian Corporation has turned back its concession to the Abyssinian Government.

(10). Bayart Freres Concession.

In addition to their quarter interest in the original Baghdassarian Concession, Bayart Freres claim to hold a Concession, dated May 9, 1919, covering all of Abyssinia. The Abyssinian Government asserts, however, that this Concession grants only prospecting rights in territories not covered by other Concessions.

(11). Work Done by Anglo-American Oil Company.

The company has been given permission to prospect, they have found promising indications, and expect to continue operations.

(12). American Representation in Abyssinia.

There is, unfortunately, no American diplomatic or consular representative in Abyssinia. The American Consul at Aden during his visit was very successful in assisting the Anglo-American Oil Company. The American Ambassador at London and the American Consul-General at London, as well as the American Consul at Aden, have repeatedly recommended that a permanent diplomatic or consular official be stationed at Addis Abeba.

(13). Conclusion.

(a) Abyssinia Situation.

The Anglo-American Oil Company, a British incorporated American-controlled corporation, apparently possesses a contract with Baghdassarian and Topakyan for the working of a concession covering the province of Harrar, which is of doubtful validity and of which a one quarter interest is claimed by Bayart Freres. The Anglo-American Oil Company has the rights of exploitation of a concession granted to Baghdassarian for

the

the western half of the Province. This concession appears to be valid, unless its validity depends upon a subsequent agreement with the Abyssinian Corporation. The Abyssinian Corporation, a British-controlled company, possesses a concession covering the eastern half of Harrar Province. The Anglo-American Oil Company and the Abyssinian Corporation have entered into an agreement for the division of the Province, which agreement, it is understood, has been recently approved by the Abyssinian Government. Bayart Freres claim a concession covering the whole country, but this claim is not said to be well-founded. An arrangement between the British and American interests was approved originally by the British Government's representative in Abyssinia. It is supposed to be opposed by the French Government.

If the agreement between the Anglo-American Oil Company and the Abyssinian Corporation have been approved by the Abyssinian Government, there would appear to be no longer necessarily any contraversial question between American and British interests. There might still be a conflict, however, between American and French claims, and a diplomatic dispute between France and Great Britain.

The American Consul at Aden in a despatch, dated December 15, 1920, expresses the opinion that: -

> "The British interests, backed presumably by the British Legation, will now overlook no opportunity for placing obstacles in the way of the American company. If, however, the Department has available an official representative to proceed to Adis Abeba when the occasion requires to contribute by his presence and direct presentation of the American viewpoint a sort of moral support, so to speak, to the Abyssinian government against the possible threats and unreasonable demands of the British officials and non-official representatives of the Abyssinian Corporation, the American company should have no difficulty in exercising its legal and rightful privileges in exploiting such oil-fields as may be discovered in the province of Harrar. These rights were obtained legally and openly, and the agreement can legally be repudiated, it would seem, only by Ras Tafari, or by the mutual consent of the Abyssinian Corporation and the Anglo-American--Baghdassarian groups as the parties to the agreement."

(b).

(b). Is the Abyssinian Case Similar to the Costa Rican Case?

Some features of the Abyssinian situation are similar to the Costa Rican case; but in general the claims of the Anglo-American Oil Company are very different from the holders of the Amory Concession. The Abyssinian situation is more complicated.

14. Who Asked the Support of the British Government?

The British Embassy's memorandum stated that a British subject acting on behalf of ~~this~~ Anglo-American Oil Company had asked the support of the British Government. The American Consul-General at London states that there is no foundation whatever for supposing that the Anglo-American Oil Company had sought the support of the British authorities either in Abyssinia or elsewhere, that one Alistair McKelvie, a British subject and partner of Topakyan, has a contingent interest of some kind in the original Baghdassarian Concession and it is possible that he has appealed to the Foreign Office for assistance.

15. Meaning of the last paragraph in the British Embassy's Memorandum.

It becomes necessary now to inquire what is meant by the British Ambassador's statement that his Government desires the cooperation of this Government "with a view to obtaining fair and impartial consideration of the merits of claims in which nationals of both countries are interested." If the British Government means that it proposes to lend support to the British shareholders in the Anglo-American Company, it may refer to claims based upon the Baghdassarian Concession of 1915 or to those based on the Baghdassarian Concession of 1920. If McKelvie is the British subject referred to, reference is apparently to the original Baghdassarian Concession. The original Baghdassarian Concession, moreover, is the only American claim that might conflict territorially with a British claim. Both Baghdassarian Concessions conflict with the French claims. If the Abyssinian Corporation Concession has been turned back to the Abyssinian Government, the French apparently no longer have any diplomatic grievance against Great Britain and the British would seem to have no longer any interest in the Anglo-American Company's claims unless the British are holding out the support of this American company in Abyssinia as a means of bargaining for this Government's support of a British interest in ~~Abyssinia~~ Costa Rica.

In

In view of articles 2 and 10 of the Treaty of 1906 between Great Britain, France, and Italy, it could hardly be assumed that the British Government is proposing diplomatic cooperation with the United States as against French interests in Abyssinia. These articles are as follow:-

"Art.2. As regards demands for agricultural, commercial, and industrial concessions in Ethiopia, the three Powers undertake to instruct their Representatives to act in such a way that concessions which may be accorded in the interest of one of the three States may not be injurious to the interests of the two others."

"Art. 10. The Representatives of the three Powers will keep each other fully informed, and will co-operate for the protection of their respective interests. In the event of the British, French, and Italian Representatives being unable to agree, they will refer to their respective Governments, suspending all action meanwhile."

16. Suggestions Regarding Action.

The following are, in my opinion, desirable courses of action:

(a) Instruct a well qualified Consul or diplomatic officer to proceed to Addis Abeba. If possible establish a permanent diplomatic or consular representative there.

(b) Send the attached instruction to the Consul-General at London.

(c) Inform the British Embassy at Washington that the Anglo-American Oil Company appears to have, so far as the Department is informed, a valid concession for the western half of Harrar Province and possibly for the whole of the Province; and that, so far as the Department is now informed, the only conflicting claims are those asserted by Bayart Freres, a French company. Inquiry might be made regarding the claims the British Government has in mind and what procedure the British Government desires to suggest for their consideration. Surprise might be manifested at the Embassy's suggestion, in view of the fact that oil questions in Abyssinia so far as they concern the nationals of the two countries had apparently

been

been composed by an agreement between the two countries approved by the official representatives of the two Governments. The intimation might also be conveyed that, since Abyssinia is an independent nation, the proper course is for the Anglo-American Oil Company and the Abyssinian Corporation to proceed with the carrying out of their agreement, and for the two Governments to refrain from exercising diplomatic pressure unless or until there appears to have been a denial of justice to their respective nationals.

(d). Informal inquiries might be made of the French Government regarding the Bayart Freres' claims.

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TA ACM SGE

CONSULAR BUREAU
No. 193
APR 10 1923
DEPT. OF STATE

Office of Economic Adviser
MAR 30 1923
DEPARTMENT OF STATE

DEPARTMENT OF STATE
APR 11 1923
DIVISION OF
NEAR EASTERN AFFAIRS.

AMERICAN CONSULATE

Aden, Arabia, February 28, 1923.

~~CONFIDENTIAL.~~

SUBJECT: American Oil Concession in Abyssinia.

THIRD ASSISTANT SECRETARY
APR 26 1923
DEPARTMENT OF STATE

DEPARTMENT OF STATE
APR 26 1923
DIVISION OF
FOREIGN SERVICE

STRICTLY CONFIDENTIAL

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON, D.

SIR:

Copy hereof has been sent to Commerce
Department of State
Copy has also been sent to APR 7 1923
and to
APR 6 1923

Division of
Political and Economic Information

I have the honor to report that a representative of the Anglo-American Oil Company, Mr. Alaister McKelvie, of London, has lately arrived in Aden, in connection with the concession granted to that company in Abyssinia. Mr. McKelvie is a British subject and is living at the Residency during his stay in Aden. He has called twice at the Consulate, and has alluded to the present Abyssinian situation in a way which makes it difficult to decide whether he is trying to be frank or reserved. Up to the present he has made no definite statements and asked for no assistance other than in the minor matter of finding a guide and interpreter. The Consulate, therefore, has been attempting to gather all the information possible, while waiting for something definite from Mr. McKelvie.

He states that about two months ago, a proclamation was issued by Ras Tafari, to the effect that all concessions in Abyssinia should be registered in that country before March of this year, or lapse. The Anglo-American Oil Company was not advised of this, and only learned of it through a letter from one of their friends to London.

DEPT. OF STATE
APR 3 1923
ACKNOWLEDGED

Mr. McKelvie is of the opinion that he will find the situation in Abyssinia somewhat complicated and perhaps delicate and claims to be absolutely unable to understand the reason for the late proclamation. Either political pressure

from

STRICTLY CONFIDENTIAL

from one source or another has been brought to bear upon Ras Tafari, or the Anglo-American Oil Company is being made to show its hand. Another angle also might be considered. At the time the concession was given, the Anglo-Persian Oil Company obtained concessions in Somaliland. It appears that there is oil in Abyssinia, while there is no oil in Somaliland. Not being content with the prospects in Somaliland, the Anglo-Persian Oil Company might have offered incentive to Ras Tafari, sufficient to make him take the necessary steps to clear the field.

Mr. McKelvie stated that provided he found the Ras in an unreasonable frame of mind, he would inform him that any steps taken against the interests of the Angle-American Oil Company would be the quickest way for him to estrange American sympathy. He already knows that Ras Tafari wishes America to be represented in Abyssinia, and is of the opinion that the Department of State would perhaps be willing to bring a little pressure to bear, if needed.

He has agreed to keep in touch with the Consulate, while in Abyssinia, and if in need of assistance, to convey his message by means of invisible ink.

From the previous correspondence in the records of the Consulate, the Department of State is shown to have been interested in the Abyssinian venture of the Anglo-American Oil Company, and this Consulate to have rendered great assistance to the Shepperson expedition which came through here in 1920. This despatch is being sent, therefore, explaining

the

STRICTLY CONFIDENTIAL

the situation as far as understood at present, and should reach the Department before anything further is heard from Mr. McKelvie in Abyssinia.

I have the honor to be, Sir,

Your obedient servant,

Raymond Davis

Raymond Davis

American Consul.

File No. 863.

CONSULAR BUREAU
JUL 25 1923
DEPT. OF STATE

Office of Economic Adviser
JUL 10 1923
DEPARTMENT OF STATE

99473

Copy in EA-Mr. W

No. 15[illegible]

AMERICAN CONSULATE GENERAL,

LONDON :: ENGLAND.

Copy to Commerce
"Confidential"
ONLY ONE

June 25, 1923. AVAILABLE JUL 20 1923

84.6363

JUL 25
DIVISION

SUBJECT: STANDARD OIL AND ABYSSINIA.

DIRECTOR of CONSULAR SERVICE
DEPARTMENT OF STATE

File 9.a.
JUL

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Department of State
JUL 25 1923
Division of
Political and Economic Information

DEPARTMENT OF STATE
JUL 9 1923
DIVISION OF
NEAR EASTERN AFFAIRS.

Copy in NE

INDEX BUREAU
84.6363/51

SIR:

I have the honor to refer to the several despatches from this Consulate General to the Department of State, extending over the period from August, 1920 to July, 1921, relative to the activities of the Anglo-American Oil Company, Ltd., acting for Standard Oil interests, in the Province of Harrar, Abyssinia, and to certain conflicting British and French claims in that region, and to report that new developments of interest in that connection appear to be imminent.

The whole matter has been in abeyance for the last twelve months pending some action of the Abyssinian sovereign in regard to his formal approval and signing of the articles of agreement made at Addis Ababa, under date of August 20,1920, between Mr. Baghdasarian and the Anglo-American Oil Company, Ltd., of the one part and the Abyssinian Corporation, Ltd., of the other part, by the terms of which the respective portions of the Province of Harrar to be controlled as to oil and mineral rights by the two interests were defined.

ACKNOWLEDGED
DEPT. OF STATE
JUL 10 1923

FILED
JUL 27 1923

It is now learned that a son of Mr. Alaister McKelvie, a British subject resident at Sussex, England, has succeeded in re-purchasing from MM. Bayart Frères the latter's one-fourth contingent interest in the Baghdasarian-Anglo-American concession for a consideration of £2,000, and that he is now in Addis Ababa, where he has, it is believed, obtained the signature of the Ras to the aforesaid articles of agreement or definite assurance that they will be duly signed.

Young Mr. McKelvie went to Abyssinia some weeks ago for the purpose of prevailing upon the Ras to give his formal approval to the agreement of the two interests, and before his departure from England asked the Anglo-American Oil Company to pay a part of the expenses of his journey, which was refused. A communication received by the Anglo-American Company's management from him on June 14th stated that he was persuaded that he would be able shortly to obtain the sovereign's signature, but no further word from him has as yet reached the Company. In the opinion of the Company's chairman, an article which appeared in the London OIL NEWS of June 23, 1923, quoted from the London TIMES correspondent at Addis Ababa, emanated from young Mr. McKlvie and may be substantially correct. The article reads:-

> "As the result of negotiations just concluded with the Abyssinian Government, the Anglo-American Oil Company have succeeded in establishing their claim to exclusive oil rights in the northern half of the Province of Harrar, which they acquired three years ago. The concession is for fifty years, with a stipulation that the work of development shall commence within two and a half years. The company carried out a geological survey in 1920 with, it is understood, encouraging results.
>
> The area over which the company has secured control is some sixty thousand square miles. The France-Ethiopian Railway traverses the northern edge of the area, and it is believed that the railway company have already offered special facilities in order to secure that Jibuti shall be the terminus of the

pipe-line, should oil be located and developed. An alternative terminus would be Berbera in British Somaliland.

Oil seepages have been known to exist in British Somaliland for some years past, and it is understood that the Anglo-Persian Oil Company hold certain rights in that territory. It is probable that oil showing itself on the surface in the lowlands of British Somaliland has a direct connexion with the oil now believed to be located in the Harrar mountains".

I have the honor to be, Sir,

Your obedient servant,

Robert P. Skinner,
American Consul General.

File No.863.
CLD/JH

Office of Economic Adviser
JUL 10 1923
DEPARTMENT OF STATE
Copy in EA-MH

CONSULAR BUREAU
JUL 30 1923
DEPT. OF STATE

No. 132.

CONFIDENTIAL.

AMERICAN CONSULATE,

Aden, Arabia, June 12, 1923.

SUBJECT: Return of Alaister McKelvie, Representative of Anglo-American Oil Company, from Abyssinia.

File No. 884.6363/50

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Department of State
JUL 20 1923
Division of
Political and Economic Information

DEPARTMENT OF STATE
JUL 9 1923
DIVISION OF
NEAR EASTERN AFFAIRS.
Copy in NE

SIR:

I have the honor to refer to despatch No. 91 of this Consulate, dated February 28, 1923, concerning the arrival of Mr. Alaister McKelvie from London, and his departure to Adis Abeba, on matters referring to the Anglo-American Oil concession in Abyssinia.

FILED
AUG 16 1923

On June 10, Mr. McKelvie returned from Adis Abeba, Abyssinia, and reported that he had finally succeeded in getting the affair satisfactorily arranged. The concession was registered in the British Legation without delay, and Ras Tafari, for the Abyssinian Government, has promised complete support and absence of any further interference in respect to the concession. If, however, work is not started within the next two years, the concession will lapse.

It is stated by Mr. McKelvie that the legal advisor to Ras Tafari caused the difficulty by insisting that the concession conflicted with the terms of an old Franco-Abyssinian treaty of about twenty years ago. When Ras Tafari was assured by other competent legal advice that this was not the case, he appeared greatly relieved.

Mr.

Mr. McKelvie leaves on June 14th for London.

I have the honor to be, Sir,

Your obedient servant,

Raymond Davis

Raymond Davis

American Consul.

File No.863.

Office of Economic Adviser
JAN 23 1926
DEPARTMENT OF STATE

DEPARTMENT OF STATE
OCT 28 1925
DIVISION OF NEAR EASTERN AFFAIRS

INDEX BUREAU
884.6363/53
FILED
JAN 23 1926

DEPARTMENT OF STATE

F.A.

October 9, 1925.

AC-C:

Will you kindly indicate your opinion as to the necessity for and value of the trip to Adis Abeba by Vice Consul Park as referred to in his despatch No. 86 of September 12, 1925, which is attached.

JDJ.

884.6363/53
FA-JRF/000

CONSULATE,

September 12, 1925.

Vice Consul in Charge to

ness.

Memo to Mr Faber Oct. 9, 1925
dy Oct. 17, 1925.
Jno D. Jr.

OCT 13 1925
DEPARTMENT OF STATE

inform the Department that I
ba, Abyssinia, for a number
given below. I am taking
n responsibility, leaving the
Consulate unofficially in the care of Mr. Mohamed Yusuf Khan, the Indian clerk, who is reliable, and has had eighteen years of experience as the chief clerk of this office.

The primary urge underlying my trip to Abyssinia is the apparent need for endeavoring to obtain from His Highness, Ras Tafari, a renewal of a general concession in Harrar province originally granted to The Anglo-American Oil Company, Limited, whose head office is at 36, Queen Anne's Gate, Westminster, London, S.W.1. The original five-year concession was obtained early in 1920, mainly through the personal efforts of Mr. Addison E. Southard, then Consul at Aden. Mr. James Hamilton, Director of the Anglo-American Oil Company, Limited, requested this office, in urgent terms, a few months ago, to do all in its power to assist them

DEPT. OF STATE
OCT 7 1925

Office of Economic Adviser
JAN 23 1926
DEPARTMENT OF STATE

NO. 86.

Div

AMERICAN CONSULATE,

Aden, Arabia, September 12, 1925.

INDEX BUREAU
SEP
6

DEPARTMENT OF STATE
SEP 1925
DIVISION OF NEAR EASTERN AFFAIRS

SUBJECT: Departure of the Vice Consul in Charge to Abyssinia on Business.

1—1055

Memo to Mr. Gaber Oct. 9, 1925.
Ltr. of Oct. 17, 1925.
Instd. 26.
Instd. 28.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

OCT 26 1925

INDEX BUREAU
FILED
JAN 23 1926

811.4633/53

SIR:

I have the honor to inform the Department that I am proceeding today to Adis Abeba, Abyssinia, for a number of official reasons, which are given below. I am taking this step entirely upon my own responsibility, leaving the Consulate unofficially in the care of Mr. Mohamed Yusuf Khan, the Indian clerk, who is reliable, and has had eighteen years of experience as the chief clerk of this office.

The primary urge underlying my trip to Abyssinia is the apparent need for endeavoring to obtain from His Highness, Ras Tafari, a renewal of a general concession in Harrar province originally granted to The Anglo-American Oil Company, Limited, whose head office is at 36, Queen Anne's Gate, Westminster, London, S.W.1. The original five-year concession was obtained early in 1920, mainly through the personal efforts of Mr. Addison E. Southard, then Consul at Aden. Mr. James Hamilton, Director of the Anglo-American Oil Company, Limited, requested this office, in urgent terms, a few months ago, to do all in its power to assist them

them in obtaining the desired renewal, inasmuch as large sums of money have already been spent on expeditions and other preliminary arrangements, without any real beginning having been made, at least from a productive point of view.

Since His Highness, Ras Tafari had divided the original concession between the Anglo-American Oil Company and certain French interests, contrary to the conditions of the agreement, the Anglo-American promoters are apparently justified in their fear that the French will take advantage of the expiration of the five-year agreement to obtain the entire Harrar district for themselves. So much American capital has been invested, and the productive possibilities of the concession are alleged to be so promising, that an earnest endeavor on the part of this Consulate, to obtain a five-year renewal of the concession seems to be plainly indicated.

A second important reason for my trip is to collect all possible data of current interest relating to the resources, commerce and industries of Abyssinia and of French Somaliland as well. As one point of immediate interest among many, reference is made to the Department's Instruction of April 13, 1925, desiring, on behalf of the United States Geological Survey definite information regarding the reported coal deposits of Abyssinia. Nothing of value or of a positive nature has yet been obtainable by correspondence.

The

The third reason for the journey is to form all possible personal contacts, official and unofficial, both in Djibouti and Abyssinia, from the rulers down to the humblest merchant. It is utterly impossible to obtain information about anything, in Abyssinia, particularly, without direct personal acquaintances there. The trip is expected to be exceedingly fruitful, directly and indirectly, and more especially so in enabling me to furnish the Department with an intelligable and related story of Abyssinian questions.

The time chosen for this journey, namely, from September 13, to 27, 1925, is calculated to be the quietest period of the year from the Consulate's point of view. Ample provisions have been made for emergencies.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park

American Vice Consul.

File No. 125.6.

884.63/93
NO. 92

AMERICAN CONSULATE,

Aden, Arabia.

November 5, 1925.

SUBJECT: An effort to obtain a petroleum concession in Abyssinia for American interests.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR

I have the honor to refer to despatch No. 86 from this office dated September 12, 1925, informing the Department of my journey to Abyssinia for the purpose, among others, of endeavoring to obtain from His Imperial Highness, The Prince Regent Ras Tafari a renewal of a petroleum concession in the Province of Harrar, which had been granted in 1920 to The Anglo-American Oil Company, Limited, of London. This step was taken on the understanding, which was later verified, that the above named company is controlled by American capital, and in response to a request from Mr. James Hamilton, Director of the company, for the good offices of this Consulate in their behalf. A copy of Mr. Hamilton's letter, dated February 6, 1925, with a copy of its enclosure, a letter addressed to His Highness, dated February 4, 1925, is transmitted herewith.

After my return from Abyssinia, the success of my trip was reported to The Anglo-American Oil Company in a letter dated October 14, 1925, copies of which are respectfully

spectfully submitted to the Department with this despatch.

In brief review, it is recalled that on August 7, 1920, His Highness Ras Tafari consented to an agreement with The Anglo-American Oil Company, Limited, which gave that company full and exclusive rights to survey and exploit petroleum in the whole Province of Harrar. His Highness formed a partnership with a Mr. Hagop Baghdassarian of Addis Ababa in the sale of this concession to the London firm. It is further recalled that a general concession for all minerals in the province, including petroleum, had been granted to Mr. Baghdassarian shortly before the petroleum concession was granted. This concession provided Mr. Baghdassarian with rights to seek and exploit, or cause to be exploited the minerals of Harrar for fifty (50) years, provided that actual operations result in visible production within the first five years of the period.

In accordance with this requirement, Mr. Baghdassarian at once went to London and obtained the consent of The Anglo-American Oil Company to consider the matter seriously. The company sent a body of representatives to Abyssinia to study the Harrar field, and if prospects should appear to be promising, to purchase the concession from Mr. Baghdassarian. This they did. The exact terms of the purchase are unverified, albeit Mr. Baghdassarian told me confidentially that the company paid twenty thousand pounds sterling to the Government, appointed Mr. Baghdassarian as local manager at a salary of two hundred pounds a month and sent experts to survey the Harrar Province for oil, with the definite purpose of preparing to drill as soon as oil should

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be found. According to Mr. Baghdassarian, oil was actually found in a number of places.

Mr. Baghdassarian's position as local manager merely meant that, owing to his knowledge of the country and its people after twenty-five years residence there, he should be useful as guide and adviser, as well as a kind of intermediary and interpreter to facilitate negotiations with Ras Tafari.

Soon, however, complications began to arise. The Anglo-American project received its first set-back in the form of a letter addressed to Mr. Baghdassarian by Ras Tafari, stating that the area of operations were reduced to one-half of the Harrar Province instead of the whole. The Anglo-American Oil Company accepted this under protest, contenting themselves with the eastern half of the Province, i. e., that part nearer the Franco-Ethiopian Railway. The other part was conceded to The Abyssinian Corporation, Limited, a very large British enterprise originally incorporated to exert political influence in Abyssinia by developing a certain measure of commercial dominance, in opposition to French influence, which was exceedingly strong. Thus, when it was seen that oil must surely exist in Harrar, since an important firm like the Anglo-American Oil Company was willing to invest so heavily in it, the Abyssinian Corporation at once endeavored to prevail upon Ras Tafari to divide the concession. The Ras, very naturally, seeing an opportunity to increase his revenue, complied, and the Abyssinian Corporation wrote him a check for twenty thousand pounds. This seems to be true, as I have heard it from numerous independent sources.

The second blow to Anglo-American hopes has apparently proved to be mortal. It came again in the form

form of a letter from Ras Tafari to Mr. Hagop Baghdassarian, which the latter showed to me, as he did the first letter and the original contracts for his and the Anglo-American Company's concessions, during one of my several private interviews with him at his residence. This second letter arbitrarily stipulated that the concession granted to the Anglo-American Oil Company would not prevent other interests, firms or individuals from exploring any part of the Harrar Province for petroleum or other minerals, and, if found, to exploit them. This of course annulled not only the Anglo-American, but also the Abyssinian Corporation half of Harrar. It deprived the Anglo-American Oil Company of the exclusive rights which, in the case of petroleum, is of paramount importance. Oil, it is well known, exists in lakes under the earth's surface, the extent of which can in no specific instance be determined.

The Anglo-American Oil Company could not go on under this new ruling, and consequently ceased operations. The Abyssinian Corporation, holding the other half of Harrar (that portion nearer to the British Somaliland frontier), followed suit, but in a more definitive manner. They informed Ras Tafari that it was quite impossible for them to consider exploitation and that they would abandon the concession. With what seemed like a certain alacrity, Ras Tafari returned to them the original uncashed check for twenty thousand pounds. It is probable, according to numerous persons acquainted with the affair, that His Highness began to realize the possible consequences of his alteration of the concession contracts, and was happy to avoid what, to him seemed to portend a diplomatic war. He was glad to eliminate the Abyssinian Corporation, because the French Legation was intensely interested in the whole proposition, having very good reasons for its desire to block any enterprise by non-French foreigners.

It

It is a generally recognized fact that the French Minister vigorously opposes all enterprise by other foreigners in Abyssinia. The British Minister told me that M. Gaussen, the present French Minister, was quite candid in his avowal that he opposed the whole question of Harrar concessions on the basis of their resemblance to monopolies. A concession for any mineral, he said, in the whole or half, or any other section of Harrar Province was contrary to the Franco-Abyssinian treaty providing against monopolies in Abyssinia. To what extent this is true, and whether such a treaty exists or not, has not been demonstrated, but this is a matter of secondary importance. The French really want to keep other foreigners out until such time as they themselves may be able to work concessions to advantage. In the opinion of many sound, clear-thinking persons with whom I have discussed this question, the whole French attitude is that of a "dog in a manger." They have not the capital to exploit minerals in Abyssinia themselves and they would like to reserve the wealth of the country until they can develop it. And they are most particularly interested in Harrar because that Province borders upon their railway, which now constitutes a monopoly of transportation.

As stated in the above-mentioned letter to Mr. Hamilton of the Anglo-American Oil Company, I called on Ras Tafari several times, with a view to obtaining some definite and satisfactory promise from him that negotiations might again be opened between His Highness and the Anglo-American Oil Company, on an entirely new basis. This he readily agreed to do, and sent me an official communication requesting

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a delegation from the Anglo-American Oil Company, equipped with full authority to make some definite agreement with the Abyssinian Government. A copy of His Highness' letter, translated from the Amharic into English, is attached to my report, herewith enclosed, to the Anglo-American Oil Company.

In this letter from His Highness, it will be seen that he definitely disposes of Mr. Baghdassarian's interest in the concession by stating that the latter has lost all claim to the concession through his failure to accomplish any visible result before the expiration of the agreed five years. It is interesting in this connection to recall that His Highness displayed a marked feeling of relief, during my first conversation with him on this subject, that this should be the case. I was further informed by Doctor Martin, an Abyssinian of mature years, sound judgement and a thorough English education, who is Ras Tafari's confidant and adviser, that it is Ras Tafari's earnest desire to eliminate all intermediaries, such as Mr. Baghdassarian, for example, in all matters of important business where Americans or American capital are concerned. His Highness prefers in future to deal direct with our people. One reason obviously is that the Ras would have to share the revenue with the middleman. Another reason is that such men as Mr. Baghdassarian inevitably open the way to the formation of intrigues and counter-intrigues, which complicate and hinder the actual working out of the enterprises undertaken with their collaboration. This has clearly been seen in the Anglo-American affair. Mr. Baghdassarian has generally become known in Addis Ababa as an adventurer, whose whole purpose in life is to accumulate a fortune by the sale and re-sale of concessions. And no person knows him better than Ras Tafari himself.

Mr. Baghdassarian is an Italian subject, although

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an Armenian by birth. His own Minister in Addis Ababa, named Count Colli, warned me to observe due caution in dealing with him. Said the Count: "Mr. Baghdassarian is honest, as honesty is rated in Abyssinia, but he is too prone, from our point of view, to complicate straight business matters with side issues which tend to confuse." This carefully worded warning, coming as it does, from the doyen of the diplomatic corps at Addis Ababa, from a man who enjoys the highest respect of all who know him and from Mr. Baghdassarian's own Minister, not only put me on my guard from the beginning, but proved to be in perfect agreement with opinions heard from numerous other creditable sources.

Moreover, a few conversations with Mr. Baghdassarian convinced me that he is not a fit man to be the original concessionaire from whom the Anglo-American Oil Company should purchase their petroleum rights in Abyssinia. For example, he endeavored, in our first interview, to obtain the secret assistance of the Abyssinian Minister of Posts and Telegraphs, in persuading Ras Tafari to grant a renewal of the original concession. He had the audacity to request my co-operation in this petty intrigue within the Ras's own Court, and to inform me that a generous stipend should be forthcoming from the Anglo-American Oil Company, in the event of success, to compensate the Minister of Posts and Telegraphs. I refused.

Mr. Baghdassarian then proposed that I seek the support of his (the Italian) Minister and to combine with it, if possible, the co-operation of the British Minister, in an effort to force Ras Tafari's consent to a two-year extension of his concession for minerals in Harrar. As diplomatic pressure and intrigue of this sort would accomplish no positive

result

result and would only serve to lower the enviably high opinion which Ras Tafari and Abyssinians in general cherish of Americans for straight dealing, I informed Mr. Baghdassarian that I could not entertain his proposal. In view, moreover, of his own Minister's confidential statement to me, quoted above, his suggestion was not without an element of the ludicrous.

Failing in two attempts to involve me in that form of intrigue which he seems unable to resist, Mr. Baghdassarian made a final desperate effort to retain his hold upon a concession which he saw rapidly slipping away. Two days before my departure from Addis Ababa, he came to me with an urgent plea that I seek audiences with the Minister of War and Her Imperial Majesty, the Queen, and that I do my utmost to obtain their support in securing a continuation of his concession for the benefit and on behalf of the American interests involved. His argument was that, if these two potent forces were arrayed on the side of the Americans, Ras Tafari could not refuse to grant the renewal. I replied that His Highness, Ras Tafari had hitherto showed no inclination to oppose American interests in Abyssinia, that he would undoubtedly resent my connivance with other members of the Abyssinian Government and that consequently, I could not possibly act upon this suggestion.

These incidents merely served to confirm my original impressions of Mr. Baghdassarian, and it was upon those impressions that action was taken in private audience with His Highness. It was then, three days after my arrival in Addis Ababa, that I carefully reviewed the history of the Harrar concession, showing His Highness that the true status of the

matter

matter was clearly understood, pointed out that the Baghdassarian concession had lapsed, apparently through the ill-advised efforts of certain enemies of American enterprise in Abyssinia, and requested an entirely new concession, for a minimum period of five years, to be granted to the Anglo-American Oil Company. I further stated that inasmuch as this company has already spent some seventy thousand pounds (£ 70,000) in connection with their former concession, without having been permitted to achieve any tangible result, it was most essential to insist upon the granting of the concession without insistence upon further payments, at least until some practical value for the money could be envisaged. It was also pointed out that it was a matter of no moment whatever to me whether or not His Highness chose to resort to an intermediate concessionaire, such as Mr. Baghdassarian, in renewing the contract, should he deem it necessary to rely upon a man of long experience in Abyssinia, and providing the Anglo-American Oil Company were willing to accept the concession on this basis. But the suggestion was added that it would seem highly satisfactory from every point of view to deal direct.

Ras Tafari, in his reply, confirmed the statement that the Baghdassarian concession was a dead issue. "This being the state of the situation," he added, "I shall be pleased to send you my reply in the near future." The letter from him, enclosed herewith, is the reply referred to. I then asked him in the future to protect the Anglo-American Oil Company, and any other American business concerns having legitimate aims in Abyssinia, against the obstructive schemes and intrigues of those who have hitherto interfered with the successful working of our enterprises. He replied that it is his earnest desire to have the comfort of American assistance

sistance in thwarting the designs of our mutual enemies. He seemed to stress the fact that Mr. Baghdassarian had no further connection with the matter, and to show relief that this should be the case.

Several factors in the situation support the belief that Ras Tafari is sincere in his desire to see Harrar petroleum worked to advantage by Anglo-American interests. One is, of course, revenue. While His Highness is generally believed to have accumulated a vast fortune of several hundred million Maria Theresa dollars (MT$1 equals US$0.60), most of which is deposited in European banks, and is accused by many of having purely mercenary motives in all his dealings, exacting his toll from everything that enters or leaves his country, he is nevertheless Regent of the Empire, the personification of Government, without whose approval no transactions with the Government can be legal. He became Regent against his will, at the united request of the Queen and the War Minister, who now wish to restrain his progressive efforts, and it may be a far-sighted move on his part to place government funds beyond the reach of those who would dissipate them in the time-honored way. For Ras Tafari is far in advance of his people. His intelligence and sagacity is unrivalled among Abyssinians.

Another reason for his desire to develop oil in his country with the aid of American capital, is the close relation between this form of development and American official representation in Abyssinia (despatch No. 90 of October 26, 1925). His Highness has expressed the view that present American interests may not seem to justify the appointment of a Consul in his country, but that such an appointment would

certainly

certainly increase confidence among Americans, encourage them to invest in mining and agricultural projects and, most vital of all, help him, Ras Tafari, to promote and protect such enterprises.

The attempt has been made in the present despatch to describe Ras Tafari's true position as Regent, the types of business procedure in Abyssinia and the inter-relation of American enterprise in that country with official American representation there. The Anglo-American concession is merely a case in point, like that other concession for the mining of mica, which is about to be operated (despatch No. 91 of October 28, 1925). Since the Anglo-American Oil Company seems to be anxious to continue their efforts to exploit petroleum in Abyssinia, and since the Sounios mica concession, sold to the American-Ethiopian Mica Mines Corporation, of 60 Wall Street, New York City, seems to be on the way to successful operation, a double opportunity is provided to test the sincerity and ability of Ras Tafari. He wants the more-than-nominal friendship of the United States, wherein lies his only present hope of obtaining capital in sufficient millions adequately to develop Abyssinia. But an endeavor has been made to impress upon him the fundamental necessity of protecting that capital, else the inflow will assuredly cease. It believed that His Highness understands this vital point. In any case, he will not be permitted to forget it, or to look upon it as a secondary issue. Evidence of Ras Tafari's appreciation of the principle of American protection lies in his oft-repeated request for an American representative, whose presence in the country, he believes, will serve to support him, morally, at least, in his efforts to improve and develop Abyssinia.

Abyssinia. If the two concessions mentioned above can successfully be carried through against the ever-present difficulties peculiar to Abyssinia---which merely differ from those encountered in other countries in kind rather than in degree---the effect may be distinctly salutary for the future. Plotters against American success, whether for personal or political advantage, are no more formidable than in any other part of the world, and can easily be met on their own ground, although not necessarily with their own weapons. No American can use weapons of intrigue, flattery and deceit. But he can use his alertness and intelligence, plus honesty and firmness, in avoiding the obstacles he is sure to meet. The wealth of Abyssinia is not yet touched. Its extent is unknown, but there are many sound reasons for believing that it is truly enormous. The game really seems to be "worth the candle."

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park,

American Vice Consul.

Enclosures:

(1) Mr. James Hamilton to the American Consul, Feb. 6, 1925.

(2) J. Loder Park to Mr. James Hamilton, Oct. 14, 1925.

(3) Crown Prince Tafari Makonnen of Ethiopia to J. Loder Park, Sept. 27, 1925.

File No. 863.

C O P Y

ANGLO-AMERICAN OIL COMPANY, LIMITED,
36, Queen Anne's Gate,
Westminster,
London, S. W. 1.

February 6th 1925

The American Consul,
Aden, Arabia.

Dear Sir:-

Some time ago when Mr. Southard was Consul at Aden we had occasion to call for his assistance in connection with some concessions we had acquired in Abyssinia from Ras Tafarri which he considerately rendered visiting Adis Ababa and helping us very considerably.

Since then much has transpired. The expedition which we sent out at that time has been withdrawn and the period of the Concession is expiring and we are making an appeal to the Ras Tafarri to extend this concession, and we enclose you a copy of our letter on the subject so that you may know what is being done as it is quite probable that we may make a call upon your services for assistance at some later date which we feel sure you will not object to grant us.

Yours very truly,

(sd) JAMES HAMILTON

Director.

C O P Y

(Anglo-American Oil Company, Limited, to

Ras Tafari)

His Imperial Highness
The Ras Tafarri
Addis Ababa, Abyssinia.

Your Highness:-

It will be within your recollection that we, the Anglo-American Oil Company, Limited of 36 Queen Anne's Gate, London, S. W. 1, entered into an arrangement with Mr. Hagop Baghdassarian to participate in a Concession granted to him for a period of 50 years from the First of August, 1912 (Seventh of August, 1920) which Concession was granted for the purpose of searching for minerals and petroleum oil in the half Province of Harrar. The Agreement between the said Concessionaire and ourselves, with other parties, was made on the 13th day of April, 1920.

Under Article 2 of the Concession it is provided that the Concessionaire should have a term of 5 years in which to prospect for minerals and oil and bring in machinery to start working with failing which the Concession would be cancelled. We desire respectfully to point out that the original Concession under the hand and seal of your Highness was for the entire Province of Harrar, and that we signed the said Agreement on the 13th day of April, 1920, on the distinct understanding that our interests covered the whole Province. We sent out an influential and expert Expedition at great cost

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on the strength of the original Concession and in absolute reliance on the good faith of the Abyssinian Government, and we were surprised to learn from our representatives that difficulties had been raised which made it necessary to accept the modified Concession of the said 1st of August, 1912 (7th of August, 1920). We only accepted such modified Concession under protest and we would certainly not have embarked upon the exploration of the Concession id we had known before the Expedition left England that the area was to be reduced and the value of the Concession thereby considerably lessened.

Since the return of the Expedition we have given the matter careful consideration in consultation with other parties interested in the Concession, but we have not found it possible so far to mature plans for working the Concession. In view of the large sums of money spent on the preliminary investigations and the fact that we have accepted the modified Concession for one half the Province only, we appeal to your Highness to extend the provisional period of 5 years referred to in Article 2 up to and including the 7th August, 1930.

Our Geological Survey of the Country has put us in possession of information which would enable us to explore and develop the possibilities and potentialities of the country as no other firm could do without entailing expense even to a greater extent than we have done, and it would also involve a loss of time, probably eighteen months or two years, to put such firm in the position we occupy today. For this reason it must be in the inter-

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ests of your Highness and associates and other interested parties that this preliminary period of development, referred to in Article 2, should be extended for at least another 5 years so that, if circumstances admit, we may once more resume the development and exploration of the country for its petroleum products.

We have the honor to be,

Yours very truly,

(Signature missing from copy)

C O P Y

AMERICAN CONSULATE,

Aden, Arabia.

October 14, 1925.

James Hamilton, Esquire,

Anglo-American Oil Company, Limited,

36, Queen Anne's Gate,

Westminster, London, S. W. 1.

Sir:

Further to my letter from this office dated September 9, 1925, I have pleasure in stating that my trip to Adis Abeba, Abyssinia, undertaken primarily in the interest of your Company, has been, so far as my official powers are concerned, productive of satisfactory results.

I learned from Mr. Baghdassarian that his fifty-year concession for the exploitation of petroleum in in half of the Harrar Province had expired this year, owing to the fact that no actual operations were begun within the first five years of the period. In my second audience with His Highness Ras Tafari, I recounted the history of the Baghdassarian concession, for the whole of Harrar Province, the subsequent division of the Province between your Company and the Abyssinian Corporation, without any apparent authority, the complete withdrawal of the Abyssinian Corporation soon afterwards, with the return to them of the check by which they had paid His Highness for their share. I further stated that His Highness had introduced other alterations in the original contract, wholly arbitrarily, by means of special letters to Mr. Baghdassarian. These alterations seemed to have

rendered

rendered the concession null and void, as they appeared to endanger Anglo-American exclusivity by authorizing any person to exploit oil within the limits of the concession.

I explained very carefully to His Highness that exclusive rights need not apply to any mineral except petroleum, since oil occurs in lakes and sheets under the earth's surface, and may be tapped by any one who chose to do so, unless the concessionaires are protected against this contingency. I informed His Highness that in my opinion the alterations introduced by him in the Baghdassarian concession had expired in any case through the failure of the concessionaires to have commenced operations other than a survey of the district.

Then followed my simple request that a new concession be granted by His Highness to the Anglo-American Oil Company for the whole of the Harrar Province. I stated that it was not within my province to stipulate the conditions of the new contract, but that I must insist upon exclusive rights in the exploitation of petroleum, and protection against further infringements of such rights which may be provided for in the new concession.

In his reply His Highness at once refused to grant a concession for the whole of Harrar or the whole of any other province, but that a concession can only be granted for minerals, including oil, in the specific area in which they are actually found. His Highness informed me that he had received a communication from your Company accepting this in principle. I replied that, such being the case, I could make no objection, but that I must insist upon ample protection against the infringement of your

Company's

Company's rights within any given area granted to you. I further requested Hid Highness to insure you protection, in the event a concession is granted, against the various intriguers and conspirators, who, from political or private motives seemed in the past to have worked against American enterprise in Harrar. The Ras smiled understandingly and asked in turn that I help him against such influences. He then closed the audience by promising to send a reply in due course.

Before turning to other matters, I reminded the Ras that it was a matter of no interest whatever to me, whether whether the new concession be granted to your Company through Mr. Hagop Baghdassarian or whether it be contracted for direct between His Highness and the Anglo-American Oil Company. The Ras seemed to be interested in this point and stated that he was glad to know my attitude on the matter. I assured him that I was ready to support the Anglo-American Oil Company in their decision, whatever it may be.

The result of this and subsequent audiences is shown in the appended translation of a letter to me, from His imperial Highness, dated September 27, 1925. You will observe that it is apparently the desire to exclude Mr. Baghdassarian or any other intermediate concessionaire from His Highness' future dealings with your Company. It is not possible to state definitely the true motives underlying this desire. It may be the Ras' honest desire to deal direct with a firm as important and well-intentioned as your own, at the same time avoiding the necessity of sharing any profits with a third party.

party. Whatever the motives may be, it seems undoubtedly preferable that your relations be direct with the Ras. It has been said that His Highness, as Regent, has but little authority in matters of State. But he is the actual manager, so to speak, of the machinery of Government, and moreover, possesses no little personal influence in Harrar, which was originally his own Province, and where his people are still loyal. You cannot do better than to contract with Ras Tafari for Harrar, for his decisions are not likely to be repudiated by disloyal local chieftains.

It is perhaps needless to warn you against the network of intrigues and conspiracies with which Abyssinia is cursed. It was learned for example that your Harrar project was actively opposed by French interests on the ground that it was in the nature of a monopoly. Ras Tafari, therefore, desires to avoid any further argument on this point by granting to you simply the right to exploit oil within a reasonable area around the place or places where it is actually found. Your right to prospect for oil will not be exclusive, therefore,but this should not hinder you, since there are no other interests in sight which are likely to seek concessions, even if oil is found by them.

Without knowing your attitude, in the light of the foregoing it none the less seems very gratifying that the old concession is a dead issue and that His Imperial Highness Ras Tafari is very cordially disposed toward your Company and seems rather glad to start negotiations anew, without any connection whatever with the expired concession.

I wish to renew my assurance that you may rely upon my hearty co-operation in all your efforts in Abyssinia as long as I may be in a position to help you. This office

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is at your further disposal, should you desire assistance. I am persuaded, moreover, after extended discussions with Mr. Bentinck, His Brittanic Majesty's Minister at Adis Abeba, that his sympathy may confidently be expected.

In conclusion, permit me to add that His Highness, during a dinner reception at the Palace on the eve of my departure from Adis Abeba, repeated verbally to me his written wish that if you send a representative to discuss the concession, this agent or body of agents should have full powers to act and to close a definite and final agreement with His Highness. He fixed the time limit at three months from the date of his letter, i. e., from September 27, 1925, in order to complete arrangements at the earliest possible moment. He had first suggested two months, and asked my approval. I suggested that your Company should have at least three, and he consented without hesitation.

Further information will be forwarded to you as occasion may seem to demand or at your request. It is hoped that you may be able to realize the desired results in Abyssinia. I believe that the Ras has been amply impressed with the fact that if an important Company like your own is balked in its efforts to develop his country, he may not soon look to our countries for sympathy or support in other matters of this nature.

I am, Sir,

Very respectfully yours,

(sd) J. LODER PARK

American Vice Consul.

Enclosure:

Translation of letter from Ras Tafari to J. Loder Park.

File No. 863.

C O P Y

TRANSLATION FROM THE AMHARIC

ETHIOPIAN GOVERNMENT

CROWN PRINCE TAFARI M.

Tafari Makonnen, Heir Apparent to the Throne
of Ethiopia and Regent of the Ethiopian Empire

to

The Honorable
Mr. J. Loder Park.

PEACE BE WITH YOU!

According to our recent conversation, the failure of Yacoub Baghdassarian to fulfil the obligations of the contract extended to him which provided for the survey and exploitation of mines and petroleum, indicates that our agreement with him is now expired and as a result, is null and void. We wish to inform you, however, that the Ethiopian Government, desirous of favoring the American people and of promoting and increasing the relationship which already exists, are now prepared to treat with Americans in the matter of a new concession for the

exploitation

exploitation of petroleum in one part of the Harrar Province.

Wherefor, if the Anglo-American Oil Company is willing, they may send to us, within a period of three months, a fully authorized representative to treat with us in this matter. Please inform the Company that their agent should come within the time limit of three months.

When the conditions of the new concession are agreed upon, our Government will then be able to make the contract with the Company direct.

We have pleasure in taking this opportunity to convey to you our most friendly wishes.

Maskaran, the 23rd day,
Year of Grace 1919
(Ethiopian Style)

September 27, 1925, European Style.

Adis Abeba.

(Signed) CROWN PRINCE OF ETHIOPIA,
TAFARI MAKONNEN

SEAL

DOCUMENT FILE

NOTE

SEE 125.0084/34 FOR #1

FROM Foreign Service Inspector (Totten) DATED Apr. 22, 1926.
NAME

TO

REGARDING Reporting relative to activities of Anglo-American Oil Company in Abyssinia.

INDEX BUREAU
884.6363/53

1—1127 GPO

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No. 1.

AMERICAN CONSULATE GENERAL

Addis Abeba, Abyssinia, April 22, 1926.

SUBJECT: Preliminary Report. Need for American Representation in in Abyssinia.

THE HONORABLE

THE SECRETARY OF STATE,

Washington.

SIR:

I have the honor to refer to the Department's instructions of February 16, 1926, directing me to proceed to Addis Ababa, Abyssinia, via New York, London, Paris and Aden, and to remain there as long as may be deemed necessary for the purpose of investigating, in accordance with oral instructions given me, the desirability of establishing American diplomatic or consular representation at that capital.

I was given a letter from President Coolidge to Ras Taffari, Prince Regent of Ethiopia, explaining the purpose of my visit and commending me to His Highness's favorable consideration, and a signed photograph of the President to be presented to the Prince Regent. As authorized by the Department I had the latter framed in a solid silver frame. A duplicate bill for the frame is attached as enclosure No. 1.

It has been considered necessary in the past to take a gift or gifts of some kind in addition to the framed photograph, and so a Winchester rifle, engraved and carved for presentation purposes, was purchased from the Winchester Repeating Arms Company as a present for the Prince Regent. A duplicate bill for the rifle is attached as enclosure No. 2.

I left for New York City on March 7 and arrived at that city March 8, where I spent two days making my arrangements, attending to various officia l errands, etc., and sailed March 10th., on the SS GEORGE WASHINGTON for London.

In London I called at the British Foreign Office and informed them of

my trip

my trip to Addis Ababa. This was considered necessary as the British are at present representing American interests in Abyssinia. The officials of the Foreign Office were most friendly and endeavored to give me all possible information that might be of assistance to me on my trip to Abyssinia.

CONCESSION OF THE ANGLO-AMERICAN OIL COMPANY, LIMITED.

I called at the offices of the Anglo-American Oil Co., Ltd., No. 36, Queen Anne's Gate, London, and had an interview with Mr. James Hamilton, a director of that company, in regard to their concession for exploration for petroleum indications in Abyssinia. Mr. Hamilton stated that their company set aside a certain amount of money for exploration and investigation of new territory; that they had spent more than the usual allotment in Abyssinia; and, that the company was not disposed to go any further with their exploration work in Abyssinia at present. He said that no positive indications of petroleum had been found but that they were not at all hopeless of ultimate success, and were trying to persuade one of the affiliated companies to go on with the investigation.

I asked Mr. Hamilton if the action of Vice Consul J. Loder Park, as set forth in despatch NO. 92, of November 5, 1925, from Aden, had been taken with the knowledge and approval of the Anglo-American Oil Company. Mr. Hamilton said that Mr. Park's effort to obtain an extension of the time allowed them for exploration was made at their request and with their full knowledge. They feel that as they have expended a great deal of time and money they are entitled to some consideration and should be given an extension of time for research and exploration. Mr. Hamilton seemed to feel that Mr. Park had proven energetic, efficient and helpful.

I may say that during my stay in Aden I found Mr. Park to be willing, industrious and efficient. He is not a brilliant officer and is disposed to be impulsive at times, but he is interested in the work, has an excellent standing with local business men, officials and resident Americans in his district, and is, in the main, a very creditable representative.

I left

I left Londom for Paris on March 29, where I expected to have a consultation with a representative of the Abyssinian Government who had been talking with Mr. Skinner regarding the possibility of engaging an American hydro-electric or hydraulic engineer for his country. Unfortunately this representative had left Paris some time before my arrival but Consul General Skinner stated that he had informed him, as instructed by the Department, that more definite information as to the exact nature of his duties, salary and expenses offered by Abyssinia would be needed before a really efficient engineer would consider such a long journey into an unknown country. I was able to get some useful information from Mr. Skinner regarding his trip to Addis Ababa in 1903. I secured a laisser passer from the French Foreign Office for entering and passing through French Somaliland with the efficient assistance of Mr. Christian Gross, secretary at the American Embassy.

On [redacted] April 2nd., I sailed from Marseille for Aden, arriving at the latter city on April 11. Vice Consul Park was of great assistance to me during my three days stay at Aden. On April 14 I sailed for Djibouti, arriving the next day. I was met by the Abyssinian Consul, Mr. Krebeth, who had been informed by the Prince Regent of my expected arrival and who had been ordered to accompany me from Djibouti to Addis Ababa. I left Djibouti April 18th. (the train to Addis Ababa runs only twice a week) and spent the night at Dire Daoua. Ato Ashine, acting Governor, and a guard of honor consisting of some twenty five soldiers, met me at the station and escorted me to the [redacted] royal rest house, where I spent the night in perfect comfort. I reached Adis Ababa on the late afternoon of April 20.

The reception given me at the railroad station was rather overpowering. The reception committee consisted of the Minister of Foreign Affairs, Ato Sahali Sedamuli, the Lord Mayor of Addis Ababa, Kentcha Wasibee, both with their aides, the secretary of the British Legation, Dr. Lambie, of the American hospital, several lesser dignitaries, and a guard of honor of some one hundred soldiers. The Foreign Minister and the Lord Mayor accompanied me in Ras Tafferi's car to my quarters at the American mission compound.

On the following day I called on the British Minister, Mr. Bentinck,

who has been

who has been very cordial and helpful.

AUDIENCE WITH THE PRINCE REGENT.

On the same afternoon, April 21, I was presented to Ras Tafferi, the Prince Regent, by Mr. Dunbinek. The Prince, who speaks the French language with some fluency, was most cordial and friendly. He expressed a hope that my trip from Djibouti had been comfortable; that my stay in Addis Ababa might be pleasant; and that the object of my visit might be successful. After the usual courtesies I gave him President Coolidge's letter and signed photograph. As he does not read English the letter did not mean much to him until he had it translated, but he was very greatly pleased with the President's photograph. He ordered Balato Herouy, an elderly Abyssinian gentleman who is a friend and adviser of the Prince, to place himself at my service for securing information, acting as guide and to act as a quick messenger when I desired to communicate with His Highness. Balata Herouy was a member of the Abyssinian Mission to the United States in 1919 and speaks some English.

I gave the Prince Regent an idea of the object of my visit, that is to make a careful investigation with the object of deciding whether or not the United States should have a permanent representative in Abyssinia. I did not speak too hopefully as according to my own observation and upon the advice of others with much greater experience I am convinced that the oriental mind appreciates most that which seems difficult to obtain, or which is withheld until the last moment.

THE QUESTION OF GIFTS.

On the advice of Mr. Dunbinek and Dr. T. A. Lambie, both of whom have had very considerable experience in Abyssinia, I did not present the Winchester rifle to Ras Tafferi, and shall not for the present. It seems that gifts of this kind place the giver to a certain extent in the suppliant class, that is, of having a favor to ask. I shall retain the rifle until just before my departure and then send it to Ras Tafferi rather casually as something of American manufacture and intrinsic beauty as a souvenir of my visit to his capital.

In this connection I am convinced that in future no presents should

be brought

DOCUMENT FILE

NOTE

SEE 884.602 Kerosene/1 FOR Report #

FROM Abyssinia (Southard) DATED June 19,1926.
NAME

TO

REGARDING: Concession for monopoly for sale of kerosene and candles in Ethiopia granted to Christo Papadopoulos in February,1905. Copy enclosed. Monopoly not exercised.

kn

INDEX BUREAU
1—1137 GPO

884.6363/58

~~CONFIDENTIAL~~

ETHIOPIAN MONOPOLY FOR SALE OF KEROSENE & CANDLES.

American Minister Resident & Consul General.

Addis Ababa, Ethiopia.

(Addison E. Southard)

Date of Preparation, June 19th, 1928.

Date of Mailing, June 20th, 1928.

Reference is made to a called for report from this office dated June 12th, 1928, and entitled "Ethiopian Imports of Petroleum Products."

Investigations have been carried on with reference to the existence of a monopoly for the sale of kerosene and candles in Ethiopia. It is found that the concession for such a monopoly exists in legal form. It was granted on February 7th, 1905, to one Christo Papadopoulos by the late Emperor Menelek II. A copy is transmitted herewith in the French translation from the Amharic. There is also in the files of this office a copy of the original Amharic if required. The French herewith is simple enough for the full understanding of those interested and a translation into English is therefore not made as such might lose in accuracy.

Respectfully

[illegible] is Mr. Papadopoulos.

The holder of this concession is an elderly Greek of small or negligible means. He resides in Addis Ababa. No complete explanation is found as to why he has never exercised the rights conferred by the concession. He is known to have made many attempts to sell it, and is reported to have had many offers insufficiently large to meet his expectations. He has not, of course, the capital to exploit it himself. Capital has been offered him, according to local report, but Mr. Papadopoulos appears to hold out for profit sharing terms which no one has yet been willing to meet. He is understood to have approached various American companies who have, for reasons unknown to the writer, been either unable or unwilling to deal with the concessionaire.

Offers from Government - Locality.

Local opinion has been sought as to the legality of the concession and there is general concurrence that as the original paper was given over the authentic seal of the great Emperor Menelek II, its legality cannot be questioned. The present Ethiopian Government is generally understood locally to have made Mr. Papadopoulos offers at various times for this concession in order that it might be cancelled. The offers made are stated to have been too low to tempt the holder. There is, of course, no absolute way of testing the legality of this concession other than by endeavoring to operate it. The best obtainable local opinion is that if such attempt were made the Ethiopian Government must recognize the concession, but that it would doubtless

take

take steps to nullify it in operation by the imposition of certain regulations of the sort which frequently are devised in countries of Oriental methods of procedure.

Political Objections.

Perhaps one reason for the present inactivity of the concession is that no British, French, or Italian subject could well undertake it. The agreement of 1906 between these three powers guarantees equal opportunity as among themselves in the economic exploitation of Ethiopia. Accordingly it is most likely that if a subject or citizen of any one of them were to undertake the monopoly there would be immediate and successful opposition from the other two. The Greeks do not appear to be much respected by the Ethiopian Government and are on occasion treated rather arbitrarily. It is assumed that if Greek interests were to undertake the monopoly the French would bring sufficient pressure to bear on the Ethiopian Government to cause it to block the enterprise. American interests would probably be most successful in an attempt to operate the described monopoly. But such action on our part would be inadvisable because of the prejudice which might well develop to our present favorable standing for the accomplishment of matters of economic nature of much more importance that the sale of kerosene and candles. Furthermore, American kerosene is approaching a monopoly of the market under present competitive conditions.

[redacted].

That a concession exists to monopolize the sale of kerosene and candles in Ethiopia has been verified as per

the

PM. RECD.

NO. 53.

301836

AMERICAN CONSULATE GENERAL,

Addis Ababa, Ethiopia,

January 19th, 1929.

SUBJECT: Combine of Anglo-Persian and Asiatic Petroleum Interests for Exploitation of Sales in Red Sea Area.

FEB 25 1929

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

DEPARTMENT OF STATE
FEB 25 1929
DIVISION OF
NEAR EASTERN AFFAIRS

2 copies to Commerce

FOR RESTRICTED DISSEMINATION ONLY.

SIR:

I have the honor to report that I have been informed by local business men of a new company formed by the Anglo-Persian Oil Company and the Asiatic Petroleum Company for the aggressive sale of kerosene, gasoline and other products in the Red Sea area.

A director and moving spirit in the new company is stated to be the Aden merchant known as A. Besse.

Further details such as name of the new company, etc., etc., are not known to the local informants of this office. It is possible that the Department will already have received a more complete report from the Consulate at Aden where considerable details should be available.

The Hedjaz, Eritrea, Yemen, Aden Protectorate, and Ethiopia are probably the most promising territories in the Red Sea area for the sale of petroleum products, with the latter offering by far the greatest actual and potential market. American products of the sort are well placed in the Ethiopian market with

with promise of much future expansion in sales. Something of the local situation in the premises is given in two reports from this office entitled "Ethiopian Imports of Petroleum Products," dated June 12th, 1928, and "Ethiopian Monopoly for Sale of Kerosene and Candles," dated June 19th, 1928. The report of August 9th, 1928, on the subject of "Lamps and Lighting in Ethiopia" may also be of interest in this connection.

The reported new company can be very dangerous to American trade. A. Besse is one of the leading and most successful business men in the Red Sea area. He is aggressive in his operations and has a well distributed and efficient system of representation. Being French he may be able to obtain secret rebates from the at present very high freight rates on the Franco-Ethiopian Railway.

Further report will be made if and when reliable and interesting information becomes available.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister and Consul General.

COPY TO THE CONSULATE AT ADEN.

NO. 60.

303258

N.E.

AMERICAN CONSULATE GENERAL,
Addis Ababa, Ethiopia,

February 8th, 1929.

SUBJECT: Regulations for the Storage of Commercial Stocks of Gasolene and Kerosene at Addis Ababa.

1—1221

FOR DISTRIBUTION

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Full copy sent to Commerce
" " " Dept. of Interior
U.S.G.S.

APR 10 1929

DEPARTMENT OF STATE
MAR 16 1929
DIVISION OF
NEAR EASTERN AFFAIRS

I have the honor to transmit herewith as Enclosure A translation of an ordinance recently issued by the Municipality of Addis Ababa prescribing location and conditions, with penalties for failure to comply, for the storage of commercial stocks of gasolene and kerosene.

As the trade in these two commodities is rapidly growing, (See Consular Report of June 12th, 1928, on the subject of "Ethiopian Imports of Petroleum Products") some regulation of the sort is undoubtedly required. Addis Ababa has not an organized fire department and there are many inflammable building areas. However, local merchants as represented by their Chamber of Commerce, consider this ordinance as deficient or faulty in several particulars.

884.6363/51

Reference is made to Consular Despatch No. 53 of January 19th, 1929, reporting a rumored combination of the Anglo-Persian Oil Company and the Asiatic Petroleum Company for the control of the Red Sea market in petroleum products. The local Chamber of Commerce suspects that the interests represented by this reported combination

884.6363/60

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APR 5 1929 E

DEPARTMENT OF STATE
A-CA
MAR 30 1929
ASIA

STRICTLY CONFIDENTIAL

tion have entered into an agreement with the Municipality of Addis Ababa to control, for mutual profit, the activities of competing interests by forcing them under this ordinance to use warehouse facilities privately owned by the local representation (A. Besse of Aden) of the combination. Such private arrangements are not unknown in Ethiopia.

Some of the independent interests engaged in the importation and sale of petroleum products have their own properties located elsewhere than in the immediate area prescribed, or to be prescribed, under the ordinance. These properties are outside the city limits and would, therefore, equally well serve the requirement for segregating these inflammable commodities in places where the possibilities of fire danger to life and property would be fairly well eliminated. In other words the independent interests fear the ordinance as an instrument resulting from a secret arrangement to bring them together and under control as tenants of property owned by the proposed competing combination.

As practically all the merchants in Addis Ababa handling the products concerned are foreigners the enforcement of the ordinance would also permit the Ethiopian authorities directly to penalize them in contravention of the present practice governing jurisdiction over foreigners in the country. This point in its general

884.5034/1 884.041/1

general character is elaborated in the discussion presented in my Diplomatic Despatches Nos. 133 and 134 of February 4th and 8th, 1929, respectively. No. 133 is concerned with a Decree recently issued to compel the registration of foreign commercial firms in Addis Ababa, and No. 134 transmits a review of the development and trend of jurisdiction over foreigners in Ethiopia.

STRICTLY CONFIDENTIAL

The two above points, the economic one concerning unfair competition, and the political one concerning jurisdiction over foreigners, are the most important in connection with this new ordinance. The latter point is one, of course, for consideration by the local Diplomatic Corps which so far has given no formal indication of its attitude.

STRICTLY

These two major considerations and other and minor ones are intended to be met by a proposed substitute ordinance drawn up by a lawyer representing the Chamber of Commerce and submitted by him to the Municipality and to the members of the Diplomatic Corps simultaneously. In the meanwhile the original ordinance is not being complied with and is not being enforced. The proposed substitute ordinance is transmitted herewith as Enclosure B. A comparison of the two documents will show the means proposed for meeting the main objections as outlined above.

Further report will be made in this matter as developments occur.

I

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister and Consul General.

4 Carbon Copies
Received

2 Enclosures

Enclosure A to Consular Despatch No. 60 of February 8th, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia, on the subject of Regulations for the Storage of Gasolene and Kerosene Stocks at Addis Ababa, Ethiopia.

MUNICIPALITY OF ADDIS ABABA.

NOTICE.

In view of the trouble and danger involved, it is forbidden to store gasoline for automobiles and other machines in the city of Addis Ababa.

As it is necessary to remove such warehouses from inhabited areas all dealers must store their gasoline in the outskirts of the city.

The place set aside by Government authority for this purpose is in the neighborhood of the railway station. It will be shown to dealers by employees of the Municipality.

Importers of gasoline shall pay a rent established by the Municipality for the sites allotted to them. They must build warehouses at their own expense for the storage of gasoline during a period to be agreed upon with the Municipality.

As soon as the Municipality shall have marked out and allotted to importers the sites for the storage of their gasoline, importers can settle with the Municipality all the details connected with leases and their corresponding rentals.

This notice is effective one month after its publication. Subsequent to that period any person violating the decree will be punished by confiscation of the merchandise and by a fine of from 100 to 1000 thalers.

The owner of gasoline stored in forbidden areas will be held responsible, in case of fire, for all damage thus caused.

Addis Abeba, Hedar, 1921, Year of Mercy (November, 1928).

---oOo---

Enclosure B to Consular Despatch No. 60 of February 8th, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa.

SUBSTITUTE DECREE PROPOSED BY DEALERS IN PETROLEUM PRODUCTS.

1. For the purpose of avoiding the fire hazard it is hereby decreed that warehouses for the storage of gasoline, kerosene and alcohol shall not be permitted within the limits of the city of Addis Ababa. Exception is made for the requirements for current consumption, as specified in Addendum "A", annexed below. The storage places authorized within the city must be equipped with fire extinguishing apparatus, of a type approved by the Municipality.

2. The main stocks of gasoline, kerosene and alcohol, over and above those specified in the Addendum must be stored outside of the city limits. In order to facilitate storage, the Municipality shall place at the disposal of importers of gasoline, kerosene and alcohol, upon demand, a portion of land near the Addis Ababa station connected both with the station and the city by a road in good condition for the passage of trucks. On the ground thus allotted, importers will be able to construct at their own expense places suitable for the storage of the above specified inflammable materials.

3. The allottment of sites on the ground mentioned must be made in such a manner that each building will be separated from every other by a minimum distance of 75 meters.

4. The ground allotted by the Municipality will be taken over by importers in consideration of a proforma rental to be fixed by the Municipality. Each lease shall be valid for 10 years and renewable under the same conditions, at the option of the importer, for five successive periods of 10 years each. Should an importer at any time cease to require his warehouses he may sell or sublet them to another importer (to whom the lease shall be transferred), or remove the buildings.

5. Within one month following the publication of this notice, importers must submit written requests to the Municipality to allot the ground as above specified and within six months after taking possession of the ground they must build the above mentioned warehouses and discontinue the storage of gasoline, kerosene and alcohol within the city limits, except as provided in Addendum "A".

6.

6. Any person violating the requirements of this decree shall be subject to trial at the Special Tribunal of Addis Ababa and shall be liable to a fine not exceeding MT$1,000. They will moreover be responsible for all damages or other losses or costs resulting from each violation.

ADDENDUM "A"

Quantities of gasoline, kerosene or alcohol the storage of which is permitted within the Addis Ababa city limits irrespective of location.

	By Importers	By Non-Importers
Gasoline.....	50 cases	10 cases
Kerosene.....	100 cases	25 cases
Alcohol.....	1600 litres	400 litres.

---oOo---

DOCUMENT FILE

NOTE

New

INDEX BUREAU
1/1271 848 6371

SEE 848x.6371/1 FOR Report #-

FROM Addis Ababa (Park) DATED May 13,1929
TO NAME

REGARDING: Ethiopian Salt Market. Annual imports of salt into Ehtiopia. Communications planned.

fp

DOCUMENT FILE

NOTE

SEE 848x.6371/2 FOR Despatch #193

FROM Abyssinia (Southard) DATED May 14,1929
TO NAME

REGARDING: Salt importations of Ethiopia. Importance of,- and probable political significance.

INDEX BUREAU
848.6371/2

1—1127

rp

Addis Ababa,
Ethiopia.

May 14th, 1930.

No. 195.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to a commercial report from the Consular section of this office, dated May 13th, 1930, signed by Vice Consul James L. Park and entitled "New Salt Project in British Somaliland; Proposed Roads into Ethiopia."

The salt concession discussed in that report has also a probable political significance to comment upon which the present despatch is being written.

The salt importations of Ethiopia are comparatively important. Most of the trade has heretofore been in

the

the hands of French interests which own and operate extensive salt pans at Djibouti. One of the more important sectional markets in Ethiopia for salt has been the populous province of Harrar. Colonel D. A. Sandford's concession (granted to run for a period of thirty years) gives him a monopoly for the sale of salt in Harrar province. His plan, as stated in the above indicated report, is to construct salt pans along the coast of British Somaliland and transport the product overland into Harrar. Pending the development of his own source of supply he may purchase salt from the French interests at Djibouti but obviously these interests will not make the profit from Sandford which heretofore they have presumably gained from direct sale in Harrar.

I have discussed this Harrar salt monopoly with various people and particularly with my colleagues of the British and French Legations. The former is, of course, much pleased with the concession as Colonel Sandford is a Britisher and plans to develop a salt industry in the British Somaliland colony. The British also see in the granting of the monopoly further intent of the Ethiopians to annoy the French. The French Legation is inclined to agree with this view. The Italians have been given the Assab-Dessie concession which can be developed only at French expense; the British have been given this salt monopoly which will also operate mainly at French expense; the Greeks have

have recently been given concession for a road from Goré to the frontier of the Sudan which when constructed will presumably throw more trade via the Sudan at the expense of Djibouti and the Franco-Ethiopian Railway. There is also being discussed a concession to the Italians for a road connecting Italian Somaliland with Ethiopia via Lugh in the south. This route, if and when developed, would also divert trade from Djibouti. The commercial report indicated in the first paragraph of this despatch also mentions another road concession given to British interests to connect Harrar with British Somaliland. This road, too, can develop only at the expense of Djibouti and the French railway.

The granting of these various road concessions is also in line with King Tafari's determination and policy to develop Ethiopian transportation facilities, and the alleged motive of embarassment to the French can not well stand as the only one inspiring the Ethiopian Government. However, there is strong circumstantial evidence that there is intent to embarass the French and to "put them in their place." The circumstance that French prestige or influence is at present somewhat low in Ethiopia has been commented upon in various despatches from this office. The opinion has also been expressed that French prestige has had its ups and downs and will inevitably come up again. As it rises some of the other national

interests

interests mentioned must pay. Indications are that the Italians, who have for a while been riding the crest of the wave in one way of speaking, will pay. Italophobia is believed too widespread and deeply seated in Ethiopia to continue in its present and temporarily passive form. There is no deep-seated feeling against the French, and while the British are feared they are respected by the Ethiopians.

This granting of the salt monopoly may also be viewed from the "open door" angle which has already formed the subject of instructions to and despatches from this Legation and Consulate General. The most recent despatch on the subject was the Legation's No. 116 of January 11th, 1929. The Legation has already informally brought before the King and other Ethiopian officials on various occasions the policy of the Government of the United States in maintaining the "open door". It does not seem advisable to make this salt monopoly the occasion for a formal protest at the present time. First, it does not infringe upon any particular American interest and, second, a protest might adversely affect the present favorable atmosphere which is being nourished in connection with our important Tsana dam concession negotiations. However, the salt monopoly will afford material for informal "open door" representations to be made at an opportune time.

The

The development of the salt monopoly concession as a going enterprise has not yet occurred. There are possible obstacles to such development which are not, however, sufficiently tangible for discussion just now.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File 360.2.
AES/eid.

nal.

CONSULAR BUREAU,
JUL 7 1917
DEPT. OF STATE.

No. 76.

AMERICAN CONSULATE.

884.6372

Aden, Arabia, May 28, 1917.

SUBJECT: Report on an Abyssinian Potash Mine.

~~Confidential~~

Office of Foreign Trade Advisor
JUL 3 1917
DEPARTMENT OF STATE

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

A 7, copy to C. 90051
copy to Cons. Service.
JUL -6 1917

SIR: ~~The dispatch~~ CONFIDENTIAL.

~~Not for publication.~~

I have the honor to enclose herewith a report on an Abyssinian potash mine, and to submit the following additional information which it has seemed advisable not to include in the report which has been prepared for possible publication in the Daily Commerce and Trade Reports.

JUL 21 1917
INDEX BUREAU
884.6372/3

Although this mine was discovered in 1911 the work of opening and developing it did not start until three years later. According to information obtained by this Consulate a representative of the German government at Adis Abeba attempted to prevent the granting of the concession to the discoverer in 1911, for the reason that this new potash mine would compete with and break the monopoly enjoyed by the potash deposits at Stassfurt in Germany. The concession having been granted the concessionaire is said to have accepted a proposition whereby the German government paid him 350,000 francs per year not to open and develop his mine.

At the end of 1914, presumably on account of the

the war, this payment was not made. The concessionaire then sold his rights to an Italian company known as the Compagnia Mineraria Coloniale, for a price said to be approximately 2,500,000 francs. The principal stockholders in this company are the Banca Italiana di Sconto of Milan, Signor Rossi of Milan, who is the proprietor of a large chemical industry established throughout Italy under the name of the Electro Chimica Rossi, and Demetrio Maggiori of Turin, who is well known as the inventor of a sort of hand grenade used by the Italian army.

Rossi agreed to take from the company 1,000 tons of the potash salts each month at a price of 1,000 francs per ton. This he used in his own chemical industries, principally in connection with the production of nitrate of potassium for explosives. As it was not possible to get out much more than this quantity of potash salts with only camel transportation to the coast, Rossi had a practical monopoly of the mine.

Maggiori, who was made managing director of the mine, was not satisfied with getting out only the 1,000 tons contracted for by Rossi and wished to bring the output up to a sufficient quantity to meet the strong demand existing in other markets, principally for munitions work in France and England. To accomplish this he entered into a contract, on his own initiative as managing director, with the Armenian firm of Dilsizian Brothers to build a light railway from the coast to the potash deposit, a distance of 74 kilometers.

The Dilsizian firm's head office is in Italy

but

but it has branches at Massowah, Aden and other Red Sea ports, as well as in New York.

The contract entered into with Dilsizian Brothers provided that they should build the railway and guarantee to haul seven thousand tons of the potash salts per month at a rate of 250 francs per ton, the transportation cost by camel train. Rossi objected to this arrangement because, he said, the rate of 250 francs per ton was too high. His real reason in objecting is said to have been his unwillingness to give up his monopoly of the mine's product which he could hold so long as only a thousand tons could be brought out per month. He is also accused of being pro-German in his desire to prevent the mining of additional quantities of the potash for export to France and England. The position of the Banca Italiana di Sconto in the matter is not known but it is supposed to have been against Maggiori.

The railway contract was made with the approval of the Italian Government of Eritrea. Rossi brought suit to have the contract cancelled on the grounds that Maggiori did not have the authority to make it. He also contended that the Dilsizian firm, being Armenian, was of Turkish nationality and should be considered an enemy firm without right to construct a railway in Italian territory. The head office of the firm being in Italy it had been operating nominally at least under Italian protection. It is understood that Maggiori's action in making the contract was adjudged legal but that the question of the Dilsizian firm's nationality

nationality

nationality has not yet been definitely decided.

Messrs. Maggiori and Rossi recently passed through Aden en route to Italy to obtain governmental assistance in breaking the deadlock which has suspended the mine work as well as the railway construction. The Italian government is believed to be actively interested in the development of the mine and it is predicted that Maggiori will be authorized to proceed with his plans for the railway and mine work.

In the meantime the Dilsizians have proceeded with the grading for their railroad, which is now completed. The grading presented no engineering difficulties and it is understood that there was only one light bridge to be built. The work has now ceased.

When the government of Lij Yasu, which granted the concession, was overthrown last year, German interests in Adis Abeba are said to have become active in an attempt to have the new government withdraw the concession on the ground that it was illegally granted by Lij Yasu. There are rumors that this German effort has been successful but I am unable to verify it from Aden sources and have at present no means of securing confidential information of this sort from Adis Abeba. I shall try to secure the information.

It is believed that the Abyssinian government dare not withdraw the concession because the Italian government would guarantee possession for the Compagnia Mineraria Coloniale by force of arms. The nearest water to this potash mine is three days journey and as the country is barren it does not seem probable

that

that the Abyssinian government has a sufficiently well organised military force to be effective under these difficulties.

The Compagnia Mineraria Coloniale is reported to have invested 2,000,000 francs in equipment to develop the mine and a further 1,000,000 in building a caravan road to the coast and making port improvements at Fatimari.

This Consulate realizes that the information contained in this despatch is not as definite as might be desired but it is the best that can be obtained in Aden and other sources of information are not immediately available. A visit to the mine would be possible.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

Enclosure:
As stated above.

File No. 863.

90051

AN ABYSSINIAN POTASH MINE.

American Consul ..... [signature]

Aden, Arabia, May 28, 1917.

In 1911 an Italian resident of the Colonia Eritrea discovered near the boundary line between that colony and Abyssinia an extensive deposit of potash salts. This boundary line has never been definitely fixed and the potash deposit, which was at first considered to be in Eritrea, has for the time been conceded to be in Abyssinian territory. The discoverer of the deposit obtained a thirty-five year concession from the Abyssinian Government.

The location of this deposit is in a barren and waterless district about seventy-four kilometers inland from the little Red Sea settlement of Fatimari. This settlement does not appear on the maps but may be located as just back of the Island of Baka, which is named on the maps. Fatimari is about seventy-six miles south of the port of Massowah and less than 400 miles from Aden.

The potash deposit is large and is said to resemble very much the deposits at Stassfurt in Germany. The operating company estimates that there are available at least 850,000 tons of the salt deposit which would average not less than 55% potash.

There

There are hot springs which add steadily to the deposit in sight.

Until 1914 practically nothing was done by the concessionaire to develop his potash mine. Shortly after the outbreak of war in that year an Italian company was formed to be known as the Compagnia Mineraria Coloniale. It is said to have paid the concessionaire the sum of 2,500,000 francs for his rights. This company started active work in opening up the deposit and soon had approximately 8,000 men employed in mining the potash, making a road to the coast and building a port at Fatimari. The potash was taken to the coast by camel loads at a cost of about 250 francs per ton. At Fatimari some of it was lightered out to large steamers but a great deal was loaded into sailing dhows and other small boats, which could come in to the shore, and taken either to Massowah or to Aden for transshipment.

One of the members of the company working the mine is the proprietor of a large chemical industry in Italy and he agreed to take a thousand tons per month, the estimated total output of the mine, at a price of a thousand francs per ton.

Owing to its value for use in munitions work the managing director of the company decided that much greater quantities of the potash could and should be brought out. With this end in view he contracted about six months ago with a large and important commercial firm at Massowah to

build

build a light railway from the coast to the mine. The firm constructing the railway was to receive the same freight rate per ton as it cost to transport the potash by camels, namely, 250 francs. It was estimated that with the railway about 7,000 tons per month could be brought to the coast and marketed if steamers were available to carry it.

The construction of this railway began with the current year and the grading has been completed. The railway is to be a 60 centimeter guage. The rails and ties were purchased from the management of the Compagnie Franco-Ethiopien de Chemin de Fer at Djibouti, and the engines and cars were ordered in America. The track has not yet been laid and work on both the railway and the mine is temporarily suspended pending the adjustment of difficulties connected with the management of the company working the mine.

Difficulties have also arisen in the matter of steamer transportation. There are now said to be 52,000 bags (about 5,000 tons) of the potash salts distributed between Massowah, Fatimari and Aden awaiting transportation which is not likely soon to be available.

This new potash mine seems of great importance in the possibilities it offers in the matter of competition and the breaking of the monopoly which has been held by Germany with the great deposits in the Stassfurt district. Its immediate importance to the manufacture of explosives is

evident.

evident.

The company having the railway construction in hand considers that the development of this potash mine will enable it to operate a direct steamer service between the Red Sea district and America to carry potash, hides and skins, coffee, shells and other products of the Red Sea commercial district, return cargo being supplied by the considerable exports of American goods to this district.

July 10, 1917.

The Secretary of State presents his compliments to the Honorable the Secretary of the Interior and has the honor to enclose for the information and use of the Geological Survey a copy of a report dated May 28, 1917, from the American Consul at Aden, a portion of which is confidential, in regard to an Abyssinian potash mine.

1 enclosure:

Copy of report dated
May 28 from Aden, Arabia.

884.6372/-

O GH:EMS

DEPARTMENT OF COMMERCE

BUREAU OF FOREIGN AND DOMESTIC COMMERCE

WASHINGTON

October 15, 1921.

Refer Consuls to Consul Southard, Jerusalem and Consul Lakin, Aden, duplicates enclosed herewith.

DEPARTMENT OF STATE. OCT 17 1921 DIVISION OF NEAR EASTERN AFFAIRS.

IN REPLY REFER TO 16

Mr. Wilbur J. Carr,
Director, Consular Service,
Department of State,
Washington, D. C.

Dear Sir:

Copy in duplicate of a letter received from Mr. S. D. Crenshaw, Vice President of the Virginia-Carolina Chemical Company of Richmond, Virginia, is inclosed together with copy in duplicate of a confidential circular recently published by this Bureau.

As will be seen the first part of the circular was taken from a report forwarded by Mr. Child from Rome, and the second part from Consul Addison E. Southard's report on Eritrea, which was published by this Bureau as special consular report No. 82.

It will be appreciated if these copies be transmitted to Consul Southard at Jerusalem and Consul Lakin at Aden, in order to ascertain whether either of these gentlemen is able to furnish further information on this subject.

Very truly yours,

Julius Klein,
Director.

Inclosure 19545

ADDRESS ALL COMMUNICATIONS TO
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
WASHINGTON, D. C.

Copy HS.
Compared.✓

C O P Y

VIRGINIA-CAROLINA CHEMICAL COMPANY

Richmond, Virginia, October 13, 1921.

Address:
S. D. Grenshaw, Vice-President

Mr. Julius Klein, Director,
Bureau of Foreign and Domestic Commerce,
Department of Commerce,
Washington, D. C.

Dear Sir:

Referring to your confidential circular letter, NE-73, in regard to Potash Mines in Abyssinia, the statement is made therein reading as follows:

> "These deposits are on the surface of the ground, so that no expense nor machinery are required for their extraction".

Later on, in this circular letter it is stated that "it has been found that Potash taken out is rapidly replaced by natural action, and the deposits are, therefore, considered practically inexhaustible. The Salts as mined are 90% pure".

These statements are so remarkable that I am tempted to ask you to get some further information. In the first place, the statement that the deposits are on the surface of the ground is remarkable, unless it is in a country in which there is no rainfall, as otherwise, it appears that the Potash Salts (which are soluble in water) would be dissolved and eliminated. Second, I can not understand how "the potash taken out is rapidly replaced by natural action". I think these statements are worthy of being more thoroughly and fully investigated.

Yours truly,

(Signed) S. D. Crenshaw,
Vice President.

In reply refer to
DC-2 - 884.6373/1.

October 26, 1921.

My dear Dr. Klein:

Reference is made to your letter (16) of October 15, 1921, with enclosures, regarding certain reports transmitted to you by this Department relative to potassium deposits in Abyssinia. It is noted that the Virginia-Carolina Chemical Company of Richmond, Virginia, requests that these reports be corroborated with reference to the extraction of the deposits, the purity thereof, et cetera, and that a more comprehensive investigation be made.

In reply I have to inform you that the American Consuls at Jerusalem and Aden have been instructed to investigate the matter and to report to the Department along the lines indicated. As soon as these reports are received this Department will again communicate with your Bureau.

Very truly yours,

Wilbur J. Carr

A true copy of the signed original.

Dr. Julius Klein, Director,
Bureau of Foreign and Domestic Commerce,
Department of Commerce, Washington, D. C.

DC-2

884.6373/1.

RS

DC-2 Co

A true copy of the signed original.

No.

October 26, 1921.

Harry M. Lakin, Esquire,

American Consul,

Aden, Arabia.

Sir:

There is transmitted herewith certain correspondence received by the Department from the Bureau of Foreign and Domestic Commerce regarding an inquiry from the Virginia-Carolina Chemical Company of Richmond, Virginia, in connection with certain reports forwarded from this Department relative to potassium deposits in Abyssinia. You will note that the company desires to have the information already at hand corroborated with reference to the extraction of the deposits, the purity thereof, et cetera, and a more comprehensive investigation made.

You are accordingly instructed to investigate the matter and to report to the Department at your early convenience. A similar instruction has been issued to the American Consul at Jerusalem.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR

Enclosures:

As stated.

884.6573/1.

EH

DC-2 Co

A true copy of the signed original

884.6573/1

No.

October 26, 1921.

Addison E. Southard, Esquire,

American Consul in Charge,

Jerusalem, Palestine.

Sir:

There is transmitted herewith certain correspondence received by the Department from the Bureau of Foreign and Domestic Commerce regarding an inquiry from the Virginia-Carolina Chemical Company of Richmond relating to certain reports forwarded from this Department with reference to potassium deposits in Abyssinia. You will note that the company desires to have the information already at hand corroborated with reference to the extraction of the deposits, the purity thereof, et cetera, and a more comprehensive investigation made.

You are accordingly instructed to investigate the matter and to report to the Department at your early convenience. In this connection it is suggested that you might communicate with the American Diplomatic Agent at Cairo for any information he may be able to obtain in relation to the matter. A similar instruction has been issued to the American Consul at Aden.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILBUR J. CARR.

No

Enclosures:

As stated.

A true copy of the signed original.

884.6375/1.

DG-L

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TA

No. 809.

Office of Foreign Trade Advisor
JAN 11 1922
DEPARTMENT OF STATE

JAN 9 1922

AMERICAN CONSULATE,

Jerusalem, Palestine. December 6, 1921.

SUBJECT: Potash Deposits in Abyssinia.

DEPARTMENT OF STATE
D. C.-2
JAN 9 192
DIRECTOR OF THE CONSULAR SERVICE

DEPARTMENT OF STATE.
JAN 4 1921
DIVISION OF
NEAR EASTERN AFFAIRS.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to acknowledge receipt of the Department's instruction of October 26, 1921, File No. 884.6373/1, regarding an inquiry from the Virginia-Carolina Chemical Company of Richmond relating to reports forwarded from Department with reference to potassium deposits in Abyssinia. The company desires to have the information already at hand corroborated with reference to the extraction of the deposits, the purity thereof, etcetera, and a more comprehensive investigation made.

The potassium deposits in question were as comprehensively investigated by the undersigned while Consul at Aden as seemed practicable without an actual visit to the exact location. Various reports on this subject were made to the Department from Aden in 1917-18 and at the end of 1919 the undersigned visited Eritrea for the purpose of obtaining first-hand data for special consular report No. 82 on that country. The potassium deposits in Abyssinia are near the Eritrean frontier, and being worked by an Italian company may practically be considered as an

industry

ACKNOWLEDGED
DEPT. OF STATE
JAN 9 192-

industry of Eritrea. The subject was so treated in the special consular report referred to. The information contained in that report, on the subject of the potassium deposits, was obtained by direct interviews in Eritrea with the then manager and certain employees of the operating company and with independent individuals. The arrival at the port of Massowah of a small steamer loaded with potash in sacks brought from the deposits was personally witnessed by the undersigned and the material was handled and examined for such knowledge as might be obtained without making a chemical analysis for which the required technical training was not possessed.

It will thus be apparent that the information already available to the Virginia-Carolina Chemical Company has probably been verified by the undersigned to as full an extent as practicable without actually seeing the deposits. A visit to them was contemplated at the time but the funds alloted for the trip of commercial investigation to Eritrea were insufficient. The information obtained might, of course, have been given to the undersigned with the motive that it would be of direct commercial interest to possible American purchasers of, or investors in, the enterprise. This possibility of a selfish motive giving color to the information obtained was considered at the time and weighed carefully in preparing the report in question.

As instructed by the Department further investigation of this matter will be made by correspondence but it is

not

not improbable that investigation by this method will serve only to obtain reiteration without exact or unquestionable corroboration of the information already on file, Finally corroborative evidence could most dependably be secured through a visit to the actual deposits by a Consular officer or by some other financially disinterested investigator. The place could then be exhaustively examined as to the nature and availability of the deposits and a sample of the salts secured independently of the owners or operators of the industry and brought out for analysis by the Virginia-Carolina Chemical Company. It would seem that such visit could best be made by the Consul at Aden; or possibly by the undersigned who is already familiar with the general territory and has an acquaintance with officials and other residents there.

A visit made for the purpose from Jerusalem would require approximately a month to go and come and would cost about $500.00, or possibly a little more depending upon various circumstances. To make the visit from Aden would cost perhaps 20-30% less and would save at least a week in time. The trip would be made by steamer from Port Said (3 days) or Aden (2 days), as the case might be, to the Eritrean port of Massowah. From there an Arab sailing dhow could be taken (the wind being favorable at this season) for the trip of seventy-five odd miles south to Mersa Fatimari and from the latter place travel would be on the Decauville type light railway understood to run in to the Abyssinian frontier, or by camel if the railway is

not

not in order as might be the case. The trip would be a rough one. The winter season, or from December to March inclusive, would be the best time to make the trip as the deposits are located on the Asale salt plains which are below sea-level and extremely hot in the spring, summer and fall.

In the letter of October 13, 1921, from the Virginia-Carolina Chemical Company, reference is made to the possibility of the deposits being in a rainless country. The information of the undersigned, based upon discussions with residents of Eritrea and upon a general acquaintance of some years with the arid Red Sea African coast, indicates that there is little if any rainfall in the Asale salt plains area.

On page 706 of the September, 1920, number of the Levant Trade Review, published by the American Chamber of Commerce for the Levant, at Constantinople, is a reproduction of a photograph of a potash train on the road from the Abyssinian deposits to Mersa Fatimari on the Red Sea.

Any further information obtained by correspondence with reference to these deposits will be promptly forwarded to the Department.

I have the honor to be, Sir,

Your obedient servant,

American Consul in Charge.

Copy for:

The American Consul General, Constantinople.

File No. 863.

AES/HGK

No. ---

44630 DC-2 TA

AMERICAN CONSULATE.

Aden, Arabia, December 12, 1921.

JAN 13 1922

SUBJECT: Potassium Deposits in Abyssinia.

Office of Foreign Trade Advisor
Feb 22 1922
DEPARTMENT OF STATE

DEPARTMENT OF STATE.
JAN 12 1922
DIVISION OF
NEAR EASTERN AFFAIRS.

884.6373/3

THE HONORABLE

THE SECRETARY OF STATE.

WASHINGTON.

DEPARTMENT OF STATE
D. C.
JAN 13 1922
DIRECTOR OF THE CONSULAR SERVICE

SIR:

I have the honor to acknowledge receipt of Department's instruction dated October 26, 1921, (File No. 884.6373/1), with enclosures from the Virginia-Carolina Chemical Company of Richmond, Virginia, making inquiries relative to the potassium deposits in Abyssinia, and instructing this office to investigate and report in the matter.

The location of the mines, means of transportation, ports of shipment, markets, et cetera, have all been covered in Special Consular Report No. 82. Therefore attention has been given to the particular inquiries made by the above-mentioned Company as to (1) the surface deposits, and (2) the natural action which replaces the salts in question.

(1). The region in which the deposits of potassium chloride are found is an intensely hot desert land, part of which is below the level of the sea and there is no rainfall to dissolve the surface deposits. The potassium salts found are obviously the accrued deposits of centuries.

(2). The immediate surroundings of the Asale plains where the potassium deposits are found are of volcanic nature. Throughout this district there are geyser-like spoutings which fill up the depressions, leaving the salt deposited after evaporation takes place.

Neither the writer nor the informant is sufficiently versed in technical chemistry or mineralogy to be able to state that this is the explanation of the statement that the salts are being continually replaced by natural action-

FILED
JAN 28 1922

DEPT. OF STATE
JAN 13 1922
ACKNOWLEDGED

action, but it suggested as a possibility.

It has been reported by one familiar with the district that in the same region are found deposits also of sulphur and asphaltum or asphalt rock.

I have the honor to be, Sir,

Your obedient servant,

Harry M. Lane.

American Consul.

File No. 863.

DOCUMENT FILE

NOTE

884.6461/11

SEE 884.6461-Tsana Dam/ FOR Correspondence

~~FROM~~ ( ) DATED May 11,1925,
et sequentur
TO NAME

REGARDING: desire of Tafari Makonnen, Regent of Ethiopia, to obtain services of skilled hydraulic construction engineer capable of directing power development and irrigation work; the negotiations with British and American contractors for construction of the Lake Tsana (Blue Nile) Dam; and difficulties encountered in handling matter without straining British-Ethiopian relations.

Nh

SUBJECT

Water Power --- Ethiopia.

Construction of the Lake Tsana Dam.

DATE

5-11-25 --- 12-1-27

CASE NUMBER

884.6461-TSANA DAM

Ethy 30

JACKET NO. 1

Please do not disarrange or remove papers from this jacket or deface jacket with office stamp or notations.

1—1235 U. S. GOVERNMENT PRINTING OFFICE: 1930

DEPARTMENT OF STATE May 15. 1925

DIVISION OF NEAR EASTERN AFFAIRS

Mr. Southgate:

At your suggestion I called on Dr. Elwood Mead, Commissioner of the Bureau of Reclamation and told him the attached telegrams. He said that he desired to consult the chief engineer in the matter and asked me to give him a memorandum containing the substance of this information. I gave him a memorandum paraphrasing the information we have in our telegrams. He promised to let us know the names of some engineers as soon as practicable. ISC

Substance of attached telegrams given to Dr. Elwood Mead by Merrick May 13. AE A AE File

RECEIVED

s May 11, 1925.

11:17 am.

telegram

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INDEX BUREAU

884.6461-Irrigation/1

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MAY 13 1925

U.S. DEPARTMENT OF STATE

TELEGRAM RECEIVED

Office of Economic Adviser
MAY 12 1925
DEPARTMENT OF STATE
Index Bureau
RECEIVED
MAY 1 1925
Dep't. of State

FROM GRAY

Paris

Dated May 11, 1925.

Rec'd 11:17 am.

DEPARTMENT OF STATE
MAY 11 1925
DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

MAY 11 1925

INDEX BUREAU
884.6461-Loans
FILED
MAY 13 1925

May 11, 11 am.

Secretary of Tafari Makonnen, Regent of Ethiopia, here with original letter requesting Department of State to indicate an American engineer skilled in hydraulic construction fully capable of directing an important work in Ethiopia. Engagement for minimum of one year. I deem it desirable that Department endeavor to comply with request.

Please reply by telegraph.

JHB

SKINNER

PREPARING OFFICE
WILL INDICATE WHETHER

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TELEGRAM SENT.

Department of State

Washington,

May 11, 1925.

AMERICAN CONSUL,

PARIS (FRANCE)

[redacted] Your May 11, 11 a.m.

Is engineer required for irrigation work or for power development? Further details, including probable salary, would be helpful.

GREW

ACTING

DISTRIBUTED

884.6461/-

NE-RS:VT

KC

CR

May. 11,1926

Enciphered by.....

Sent by operator.....*M.*, ..., *19*...., ...

Index Bu.—No. 50.

1—138

884.6461/1

TELEGRAM RECEIVED

RR

Office of Economic Adviser
MAR. 1 1926
Legal Bureau
DEPARTMENT OF STATE RECEIVED
MAY 13 1925
Dep't. of State

DEPARTMENT OF STATE
MAY 13 1925
DIVISION OF NEAR EASTERN AFFAIRS

GRAY

FROM Paris

Dated May 13, 1925.

Rec'd 11:21 am.

Secretary of State,

Washington.

May 13, 11 am.

Department's May 11, 3 pm. Representative of Ethiopian Government does not know what salary is necessary and would appreciate information as to approximate salary for competent engineer. Proposed work is dam of Lake Sana head of Blue Nile for irrigation purposes.

SKINNER

WSB

Amend. and transmitted 6/4/25

884.6461-Irrigation dam/1

INDEX BUREAU
MAR 8 1926
Dept. of State

884.6113

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

MEMORANDUM.

June 4, 1925.

Mr. Turlington:

I spoke to Mr. Southard concerning the desire of Abyssinia to obtain the services of an American engineer to construct a dam near Lake Sana on the Blue Nile and asked him whether he considered it desirable for us to suggest that Mr. Maryam, the representative of Ras Tafari, should come to the United States for the purpose of completing the negotiations in the matter.

Mr. Southard said that he was acquainted with the situation, as Ras Tafari had spoken to him respecting this undertaking when he was in Abyssinia. Mr. Southard said that we should by all means have Mr. Maryam come to the United States to complete the negotiations. He said that the project was a big one which requires perhaps more expenditure of money than Ras Tafari had contemplated. By a visit to this country Mr. Maryam could himself select the engineer and the engineer would have an opportunity to obtain more detailed information concerning the project. Mr. Southard said that the negotiation may require a considerable time and may lead into many problems not now fully understood, including some of considerable political importance growing out of possible conflict of British and Abyssinian interests in the use of water from the Blue Nile

for

AE
884.6461/1
884.6461-Maryam, Tsaamlak/1

for irrigation purposes. The engagement of an American engineer for the proposed work might in Mr. Southard's opinion lead to the sale of a large quantity of American machinery required for the construction work and perhaps to the employment of an additional staff of trained men.

Mr. Southard said, also, that a number of years ago a British official commission had made a preliminary investigation of the project leading up to negotations for a concession. However, these negotiations have not had a successful termination. Ras Tafari had for a long while desired to employ American engineers for this and other projects and it would be desirable to have Mr. Maryam in this country in order that he might be in a position to discuss here the necessary details. Mr. Southard added that it might be necessary in these negotiations for Mr. Maryam to telegraph the Abyssinian Government for further information and perhaps for additional authority. For all these purposes it would be well to have Mr. Maryam in this country.

Mr. Southard said, further, that he thought it would please Ras Tafari if we suggested that his personal representative should come to the United States to carry through the negotiations.

I might add in this connection that in my opinion it

should

should be explained to Mr. Maryam that the Department is acting merely as a means of transmitting information and that the Department does not assume any responsibility in connection with the information transmitted. With this idea in mind I am attaching a draft telegram and a draft instruction to the American Consul General in Paris in the matter.

KC

KC/GC

PREPARING OFFICE
WILL INDICATE WHETHER
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Charge Department
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TELEGRAM SENT.

Department of State

Washington,

June 4, 1925.

AMERICAN CONSUL GENERAL

PARIS (FRANCE)

Your May 13, 11 a. m.

The Department has obtained from the Bureau of Reclamation names of two engineers who are recommended as competent to undertake construction work in Abyssinia. The Bureau suggests that the salary for the engineer should not be less than ten thousand dollars per annum and expenses. As the engineer might desire more detailed information concerning the project before leaving the United States, and as the conclusion of an agreement respecting salary and conditions of employment might require extended negotiations in which it would not seem proper for an agency of this Government to participate, the Department assumes that Mr. Maryam will visit the United States. Brief statement regarding engineers is sent to you by mail.

884.6461-Ibrahim Maryam

ACTING

NE KC/EC

884.6461/1

Enciphered by.....

Sent by operator.....*M.*, ..., *19*..., ...

No. 502 American Consulate-General.

Paris, France. May 11, 1925.

DEPARTMENT OF STATE
MAR 5 1926
DIVISION OF FOREIGN SERVICE ADMINISTRATION

Office of Economic Adviser
MAR 5 1926
DEPARTMENT OF STATE

FILE
MAR 1926

Asst. 6/4/25
DC. 9e

INDEX BUREAU
Sept. 6461-Imm

SUBJECT: Request of Prince Tafari Makonnen for an American Engineer.

DEPARTMENT OF STATE
MAY 26 1925
DIVISION OF NEAR EASTERN AFFAIRS

For Distribution
yes | 10

File Pvt ED
Mic 8 1926

The Honorable,

The Secretary of State,

Washington, D.C.

Sir:

884.6461/1

I have the honor to refer to my telegram of this day stating that I had received the visit of the Secretary of Prince Tafari Makonnen, Regent of Ethiopia, who has laid before me an official letter signed by Prince Tafari Makonnen, addressed to the Department and setting forth a request that the American Government indicate an hydraulic engineer capable of directing an important work in Ethiopia. The Secretary, Mr. Ato Woldo Maryam, whom I met over twenty years ago in Ethiopia, tells me that the engagement is for a minimum period of one year. I have suggested to

him.....

him the importance of the determination of the compensation which will be paid to the engineer, and in the meantime have promised to bring the matter to the Department's attention. I am enclosing a translation of the original letter which is in Amharic language, and which will be presented to the Department in the event that it becomes necessary for Mr. Ato Woldo Maryam to proceed in person to the United States.

I have been informed confidentially that the Ethiopian Government has in view the construction of a very large dam and it is believed to be a matter of particular importance, not only that the engineer in charge shall be competent, but that he shall be an American citizen.

I trust that the Department will be able to give this matter immediate consideration and offer some suggestions which I can pass on to the representative of Tafari Makonnen.

I have the honor to be, Sir,

Your obedient servant.

Robert P. Skinner.
American Consul General.

Enclosures:
Translation in French and in English of Prince Tafari Makonnen's letter dated April 5, 1925.

864
RPS/VT

(Translation)

TAFARI MAKONNEN HEIR TO THE THRONE AND REGENT OF THE EMPIRE

OF ETHIOPIA TO HIS EXCELLENCY THE MINISTER OF FOREIGN AFFAIRS
OF THE UNITED STATES OF AMERICA.

May Peace be with you.

We have sent our faithful servant Ato Wolde Maryam, to the end that he engage and bring to us from America, an Engineer who is a specialist in the construction of dams for the conservation of water. We beg of you to give him all the assistance that is possible to the end that the Engineer that he shall engage and who will come here may be soskilled in his profession that one may depend upon his professional qualities.

Written the 27 of Megabit 1917 of the Year of Our Lord.

(April 5, 1925.)

signed: TAFARI MAKONNEN HEIR TO THE THRONE OF ETHIOPIA

TAFARI MAKONNEN HERITIER DU TRONE ET REGENT DE L'EMPIRE D'ETHIOPIE A SON EXCELLENCE MONSIEUR LE MINISTRE DES AFFAIRES ETRANGERES DES ETATS-UNIS D'AMERIQUE.

Que la paix soit avec vous.

Nous avons envoyé notre fidèle serviteur Ato Wolde Maryam afin qu'il engage et qu'il nous amène d'Amérique un ingénieur spécialisé dans la construction des barrages pour les eaux. Nous vous prions de lui donner toute l'aide qu'il vous sera possible afin que cet ingénieur qu'il engagera et qui viendra ici soit habile dans son métier et que l'on puisse se fier à ses qualités professionnelles.

Ecrit le 27 de Mégabit 1917 de l'an de grâce

(5 avril 1925)

(L.S.) TAFARI MAKONNEN HERITIER DU TRONE D'ETHIOPIE.

For Distribution

O

884.6461

No.

Robert P. Skinner, Esquire,

American Consul General,

Paris, France.

June 9, 1925.

Sir:

With reference to your telegrams of May 11, 11 a. m., and May 13, 11 a. m., as well as your despatch No. 502 of May 11, 1925, concerning the desire of the Government of Abyssinia to obtain the services of an American engineer for a minimum of one year to construct a dam at Lake Sana, at the head of the Blue Nile, the Department informs you that it has obtained from the Bureau of Reclamation, of the Department of Interior, the names of two engineers who are recommended as competent to undertake the work.

While it is believed that the Bureau of Reclamation is well qualified to judge concerning the qualification and experience of engineers for the construction of works of the character contemplated by the Government of Abyssinia, it is of course understood that the Department in forwarding these names does not assume any responsibility in the matter. The Department is not informed that either one of the engineers recommended has signified a desire to be considered for employment by the Abyssinian Government. Further, as the engineer who might be selected would no doubt before leaving the United States desire to have more detailed information concerning the project, and as the conclusion of an agreement respecting salary and

conditions

884.6461-Dam/2

conditions of employment might require extended negotiations in which it would not seem proper for an agency of this Government to participate, it is assumed that Mr. Maryan will visit the United States for the purpose of supplying the necessary information and conducting the required negotiations. It might be stated confidentially that it is realized that the execution of the project under consideration might lead to conflicts between British and Abyssinian interests in the use of water from the Blue Nile for irrigation purposes. It is considered desirable, therefore, for this Government to avoid the appearance of official participation in the negotiations.

The engineers who have been recommended by the Bureau of Reclamation are Mr. C. H. Howell and Mr. A. C. Jaquith. The Chief Engineer of the Bureau of Reclamation writes regarding Mr. Howell, as follows:

"Mr. Howell is 45 years of age, graduate of the University of Illinois, Class of 1905, has had some field experience on railroad and irrigation construction but since 1919 has given his full attention to designing work on large dams and other structures. I believe he would come as near as anyone I know who would accept such an assignment, of being able to design and construct a large dam in Abyssinia."

With respect to Mr. Jaquith's qualifications, the Chief Engineer writes as follows:

"Mr. Jaquith is 49 years old, educated at the Missouri School of Mines and he is considered one of the most efficient designers in the Bureau and also in the West. During his early years after leaving college he was engaged in mining engineering

but

but has had very limited experience in construction work. He has been with the Bureau of Reclamation on design of dams and large structures since 1917, and in my opinion would make an excellent man for this part of the requirement in Abyssinia."

It is possible that a certain American engineering firm would like to consider the project. Upon his arrival in the United States Mr. Maryam would be in a position to consider the qualifications of this firm.

I am, Sir,

Your obedient servant,

JOSEPH C. GREW

Acting Secretary of State.

NE 710/30

JUN 8 1943

EA

884.6461/2

A true copy of the signed original.

ADDRESS ALL COMMUNICATIONS TO
THE COMMISSIONER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

WASHINGTON

May 26, 1925.

Index

RECEIVED
MAY 27 1925
OFFICE OF THE COMMISSIONER
Dep't. of State

Mr. Knute E. Carlson,
Department of State,
Washington, D. C.

Dear Mr. Carlson:

In reply to a letter from me asking him to nominate someone competent to design and construct a dam across the Blue Nile in Abyssinia, I have received a letter from the Chief Engineer of this Bureau, copy of which is enclosed.

I have written Mr. Francis T. Crowe, who until a few days ago was our chief constructing engineer. Mr. Crowe has resigned to accept a position with a construction company, at a higher salary. He is a graduate of the University of Maine, and since 1905 has been almost continuously with the Bureau. He had charge of the enlargement and construction of the Jackson Lake reservoir, and of the Tieton Dam, Yakima Project, Washington, recently completed. I regard Mr. Crowe as one of the best qualified men for the position, in my acquaintance and wrote him that I would recommend him if he were inclined to favorably consider it.

Among the names mentioned in the Chief Engineer's letter, either Mr. Jaquith or Mr. Howell is competent.

Recently a representative of the Charles B. Hawley Company called and said they had been informed the State Department had referred this inquiry to me, and they desired to be considered. I asked them to submit a statement in writing, which they did. The same is enclosed.

Very truly yours,

Edwood Mead

Commissioner.

Enc. 4797

Fall
15C

INDEX BUREAU
84.6461-Irrig. Dams/3
MAR 1 1926

1—038 a

ENCLOSURE 4797

FROM

DEPARTMENT OF THE INTERIOR,

OFFICE OF THE SECRETARY.

6—3946

OF THE INTERIOR

of Reclamation

lding, 1441 Welton Street,

Denver, Colorado.

May 21, 1925.

Dr. Elwood Mead,
Commissioner, Bureau of Reclamation,
Washington, D. C.

Dear Dr. Mead:

Receipt is acknowledged of your letter of May 15th relative to request of the State Department for names of engineers competent to design and construct a dam across the Blue Nile in Abyssinia.

Insufficient information on the dam is furnished to be able to judge of its importance, but it is inferred from the fact that an American engineer is requested that the dam is to be a large and important structure probably of masonry or concrete which will require an experienced designing engineer who is well qualified in the technical requirements and able to proceed on his own judgment possibly without any consultation or advice; he must also be an experienced construction engineer able to organize a construction force, lay out and plan the work and carry it economically to a successful completion, under perhaps very adverse conditions, requiring high initiative and much originality.

All these qualifications are seldom found in one engineer and while we have in the Bureau many excellent constructio engineers and several who are technically and otherwise equipped to produce the required designs, there are few who possess even to a limited degree the qualifications for both jobs. If this is only an embankment or structure of average importance which must, of course, be carefully planned and economically executed but does not require a man so highly qualified in designing methods, such an engineer as H. J. Gault, now on the Kittitas work, Chas. P. Williams, Consulting Engineer, C. C. Fisher in charge of the Deer-Butte Creek Investigations, and perhaps Leigh G. Cairns, Superintendent of Construction who has just completed the Ft. Laramie Canal on the North Platte Project, might be suggested in the order named above, but I doubt if any of them, unless it would be Mr. Gault or Mr. Cairns, would accept.

If the structure, however, is to be of sufficient importance to require both experts in design and construction,

COPY

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

Wilda Building, 1441 Welton Street,

Denver, Colorado.

May 21, 1925.

Dr. Elwood Mead,
Commissioner, Bureau of Reclamation,
Washington, D. C.

Dear Dr. Mead:

Receipt is acknowledged of your letter of May 15th relative to request of the State Department for names of engineers competent to design and construct a dam across the Blue Nile in Abyssinia.

Insufficient information on the dam is furnished to be able to judge of its importance, but it is inferred from the fact that an American engineer is requested that the dam is to be a large and important structure probably of masonry or concrete which will require an experienced designing engineer who is well qualified in the technical requirements and able to proceed on his own judgment possibly without any consultation or advice; he must also be an experienced construction engineer able to organize a construction force, lay out and plan the work and carry it economically to a successful completion, under perhaps very adverse conditions, requiring high initiative and much originality.

All these qualifications are seldom found in one engineer and while we have in the Bureau many excellent construction engineers and several who are technically and otherwise equipped to produce the required designs, there are few who possess even to a limited degree the qualifications for both jobs. If this is only an embankment or structure of average importance which must, of course, be carefully planned and economically executed but does not require a man so highly qualified in designing methods, such an engineer as H. J. Gault, now on the Kittitas work, Chas. P. Williams, Consulting Engineer, C. C. Fisher in charge of the Deer-Butte Creek Investigations, and perhaps Leigh G. Cairns, Superintendent of Construction who has just completed the Ft. Laramie Canal on the North Platte Project, might be suggested in the order named above, but I doubt if any of them, unless it would be Mr. Gault or Mr. Cairns, would accept.

If the structure, however, is to be of sufficient importance to require both experts in design and construction,

I think two men should be secured, one qualified to design, lay out and inspect, and the other a construction engineer for which any of those whom I have suggested above would be satisfactory. We have several highly qualified designing engineers in this office but only two of whom appear to be interested in the proposition which I have informally discussed with them. These are A. C. Jaquith and C. H. Howell, who say they might consider the assignment if offered $10,000 per annum.

Mr. Howell is 45 years of age, graduate of the University of Illinois, Class of 1905, has had some field experience on railroad and irrigation construction but since 1919 has given his full attention to designing work on large dams and other structures. I believe he would come as near as anyone I know who would accept such an assignment, of being able to design and construct a large dam in Abyssinia.

Mr. Jaquith is 49 years old, educated at the Missouri School of Mines and he is considered one of the most efficient designers in the Bureau and also in the West. During his early years after leaving college he was engaged in mining engineering but has had very limited experience in construction work. He has been with the Bureau of Reclamation on design of dams and large structures since 1917, and in my opinion would make an excellent man for this part of the requirement in Abyssinia.

Mr. J. L. Burkholder, who was with the Bureau of Reclamation for many years on construction and design of drainage works, and resigned about three years ago to accept employment with the East Indian Sugar Company in Barahona has lately returned to this country. Mr. Burkholder would make an excellent construction engineer if he would accept but he told me after returning that he would not leave the United States again. However, he might reconsider if an attractive offer were made him.

Mr. John F. Richardson at present Superintendent of the Newlands Project might also be considered, and I believe he would accept.

Mr. Walker R. Young, now engaged on the Sacramento Valley Investigations, if he would accept would be able to successfully design and construct such a dam. I would dislike, however, to release him, at least until his present work is completed as he would be difficult to replace.

If it is desired to correspond with any of the men suggested, their names and addresses are given below in the order I would consider them.

(a) Engineers experienced in both design and construction:

Walker R. Young, Berkeley, California.

(b) Engineers experienced in design who would probably be able to satisfactorily handle the construction also:

C. H. Howell, Bureau of Reclamation, Denver, Colorado.
A. C. Jaquith, " " " "

(c) Engineers experienced largely in construction who would probably be able to design a dam if not too intricate:

H. J. Gault, Ellensburg, Washington,
J. L. Burkholder, Lawrence, Kansas,
C. P. Williams, San Juan, Texas,
John F. Richardson, Fallon, Nevada,
C. C. Fisher, Chico, California,
L. G. Cairns, Mitchell, Nebraska.

I think for an assignment under such unfavorable and difficult conditions as this will be, the salary should be from $10,000 to $15,000 but not less than $10,000 per annum and expenses.

Very truly yours,

R. F. Walter.

CHARLES B. HAWLEY & CO. INC.
1103 MUNSEY BUILDING
WASHINGTON, D. C.

ENGINEERS

CABLE ADDRESS:
WATERPOWER, WASHINGTON

May 18, 1925.

Dr. Ellwood Mead, Commissioner,
U. S. Reclamation Service,
Washington, D. C.

Dear Sir:

The State Department has referred to you an inquiry from the Abyssian Government for an irrigation engineer to supervise some construction work in that country.

We wish to offer for consideration in this connection the services and facilities of Charles B. Hawley & Company, representing many years of design and construction experience on a wide variety of hydraulic works, both in this and foreign countries. We make this offer because of the liklihood that unless competent engineers familiar with investigations and design have thoroughly studied the situation, there will be need for such services in addition to that required for construction. Moreover, our experience with construction in foreign countries has demonstrated that the construction engineer in the field, with the facilities of a designing, purchasing and inspection office to draw upon is, in a position to render far more valuable services than if dependent entirely upon his own ability, experience and resources.

Two of our engineers who have had experience on construction work in foreign countries have also been engaged on construction of irrigation projects in this country, and if a broader experience on irrigation work will be required by special problems

which may arise, we are in a position to consult at any time with Mr. Arthur P. Davis, former Director of the U.S. Reclamation Service.

We will be glad to call at your convenience and discuss this suggestion further with you, and if you wish, present such information as will be of interest regarding the two men whom we now have available for this work.

Very truly yours,

CHARLES B. HAWLEY & COMPANY

HVS.EB

By H. V. Schreiber

ADDRESS ALL COMMUNICATIONS TO
THE COMMISSIONER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
WASHINGTON

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OFFICE OF THE COMMISSIONER

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May 18, 1925.

INDEX BUREAU
84,646/1-Joana Dam/4
MAR 1 1926

Mr. Knute E. Carlson,

Department of State.

My dear Mr. Carlson:

Your letter of May 15 has been received relative to the engagement of an engineer by the Government of Ethiopia for the construction of a dam across the Blue Nile for irrigation purposes.

I have communicated with the Chief Engineer of the Bureau of Reclamation at Denver on the subject and when his suggestions are received I will be pleased to pass them on to you.

Very truly yours,

Edwood Meat

Commissioner.

LATE

RML

TELEGRAM RECEIVED

884.6461

Index Bureau
RECEIVED
JUN 8 1925
Dep't. of State

FROM

Office of Economic Adviser
JUN 11 1925
DEPARTMENT OF STATE

Gray

Paris

Dated June 8, 1925.

Rec'd 3.27 P.M.

DEPARTMENT OF STATE
JUN 9 1925
DIVISION OF
NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

June 8, 4 P.M.

My May 11, 11 A.M. and May 13, 11 A.M. regarding Abyssinian irrigation dam. Is the Department able to report progress in this matter.

SKINNER

RR

884.6461-Irrigation/5 FTT:FD

INDEX BUREAU
JUN 13 1925

No. 594

AMERICAN CONSULAR SERVICE
American Consulate General

Paris, France, June 25, 1925

SUBJECT: Request of Prince Tafari Makonnen for American Engineer.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON, D.C.

Sir:

I have the honor to refer to the Department's instruction of June 9, 1925, (File No. 884.6461/2) in regard to the desire of the Government of Ethiopia to obtain the services of an American engineer.

I have brought all the Department's appreciated information to the attention of Mr. Ato Wolde Maryam, who is communicating with his Government on the subject. As soon as Mr. Maryam has received definite instructions, he hopes to be able to proceed to the United States and there to make such arrangements as may seem best under the circumstances. He fully understands that the Department in supplying the names of engineers assumes no responsibility whatever.

I have the honor to be, Sir,

Your obedient servant,

Robert P. Skinner
American Consul General.

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RPS/mrc

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JUL 7 1925
DEPT. OF STATE

DEPARTMENT OF STATE
JUL 8 1925
DIVISION OF NEAR EASTERN AFFAIRS

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884.6461/Tafari Makonnen
FEB 11 1926

No. 730

AMERICAN CONSULAR ~~SERVICE~~
American Consulate General.

Paris, France, September 11, 1925

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DEPARTMENT OF STATE

DEPARTMENT OF STATE
SEP 1925
DIVISION OF
NEAR EASTERN AFFAIRS

ASSISTANT SECRETARY OF STATE
DEPARTMENT OF STATE
SEP 1925
BUREAU

SUBJECT: Request of Prince Tafari Makonnen for an American Engineer.

For Distribution

yes	no
	✓

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON, D.C.

Sir:

I have the honor to refer to the Department's memorandum of August 5, 1925, relating a conversation with Mr. Henry Chilton of the British Embassy in regard to construction work in Ethiopia, and to report that I have heard nothing further on the subject since forwarding my despatch No. 594 of June 25, 1925. The information heretofore supplied by the Department has been placed before the proper officials of the Ethiopian Government, and I suppose that the matter is receiving consideration. I shall not fail to communicate any news which may reach me on the subject.

I have the honor to be, Sir,

Your obedient servant,

Robert P. Skinner
American Consul General.

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RPS/mrc

INDEX BURMAU
894.6461-Loans/7
FILED
SEP 19 1925

RETURN TO NEAR EAST

August 5, 1925

MEMORANDUM OF CONVERSATION

WITH Mr. Henry Chilton of the British Embassy

SUBJECT: Position of Engineer for Abyssinia.

Mr. Chilton of the British Embassy called to inquire with regard to reported negotiations of the Abyssinian Government to secure an American engineer for construction work in Abyssinia. Mr. Chilton said that he had received an inquiry from his Government on this point. As I felt there was no reason to make a mystery out of the situation (although I fully appreciated that the British Government might look with a certain amount of concern upon the engineering project which the Abyssinian Government was undertaking, namely the construction of a dam at the head of the Blue Nile), I told Mr. Chilton that it was true that the Abyssinian Government, through their representative in Paris, had approached our Consul General there with a view to ascertaining whether an American engineer could be obtained. The reply had been made that it was possible that an American engineer would be interested but that this was a private matter which the Abyssinian authorities might

with

wish to take up with competent American engineers directly since the United States Government did not intervene in matters of this nature. According to the latest information it was possible that the Abyssinian Government would send a representative to the United States to look into the matter further but no definite action had yet been taken.

Mr. Chilton stated that he had understood that the Abyssinian Government was also approaching certain other countries, he thought Switzerland and Sweden, although he did not know whether the Abyssinian Government proposed to get three engineers of different nationality or merely to select one from among the nationals of the three countries to which they had turned. I told Mr. Chilton that our correspondence did not indicate that negotiations had been started by Abyssinia with other countries although this was a possibility.

I asked Mr. Chilton whether his correspondence indicated that the British Government viewed the proposed engineering project with apprehension as I realized the deep interest of the British Government in the question of the water supply of the Sudan. Mr. Chilton told me that there was nothing in his instructions from his Government which indi-

cated

cated that the British Government was in the least apprehensive about the matter. All they desired to know was the status of the Abyssinian Government's negotiations. (In this connection see the attached memorandum of Mr. Carlson's of June 4, 1925)

HB AWD/LVD

Copy Transmitted by the
Commercial Office (A-C/C)
To London +
C.G. Paris
se ep

DEPARTMENT OF STATE

SECRETARY OF STATE SEP 16 1925

DIVISION OF NEAR EASTERN AFFAIRS

September 15, 1925.

File

	yes	No
Distribution	✓	

DEPARTMENT OF STATE SEP 23 1925 DIVISION OF WESTERN EUROPEAN AFFAIRS

Embassy — London
Consulate General — Paris

MEMORANDUM OF CONVERSATION WITH MR. THOMPSON OF BRITISH EMBASSY.

SUBJECT: Selection of an American engineer for Construction Work in Abyssinia.

Mr. Thompson, of the British Embassy, called to inquire whether the Department had taken any further action with regard to the selection in this country of an American engineer for construction work in Abyssinia.

I told Mr. Thompson that there had been no change in the situation as I had recently described it to Mr. Chilton (see my memorandum of conversation of August 5th). At that time the Abyssinian Government apparently contemplated sending a representative to this country to endeavor to select an engineer. However, they had not as yet sent any such mission and it was possible they had decided to look elsewhere for the engineer they desired.

Mr. Thompson told me that the British Government hoped that if any one were chosen for the task he would be a really capable man. Therefore, if the Abyssinians did consider the

selection

DECIMAL BUREAU OCT 6 1925 FILED

884.6461 Loans/8

selection of an American he trusted that the Department would be willing to guide them in the selection of a competent engineer, such a man, for example, as Mr. Cory who had worked in Egypt.

I told Mr. Thompson that I appreciated that the construction of a dam in Abyssinia was a matter of some delicacy from the British point of view in view of their interest in the Sudan. As we were not directly interested in the matter, we had no intention of becoming in any way involved in any of the complications relating to the Nile water supply.

A.W.D.

AWD/GC

Office of Economic Adviser,
JAN 30 1926
DEPARTMENT OF STATE

NO. 954

AMERICAN CONSULAR SERVICE
American Consulate General

Paris, France, December 28, 1925.

SUBJECT: American Engineer for Irrigation Work in Ethiopia.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON, D.C.

DEPARTMENT OF STATE
JAN 9 1926
DIVISION OF
NEAR EASTERN AFFAIRS

Sir:

I have the honor, with reference to the Department's instruction dated June 9, 1925 (File No. 884.6461/2), to submit herewith for the information of the Department the following extract from a letter dated November 27, 1925, written by Mr. Ato Wolde Maryam, representing the Abyssinian Government, stipulating the conditions under which the American engineer to be placed in charge of the irrigation work in Abyssinia would be employed by the Abyssinian Government :

> " Engagement pour un an; frais de son (l'ingénieur) voyage d'Amérique jusqu'ici (aller et retour) à sa charge, tous frais de son séjour à Addis-Abeba également sera à sa charge. Si le Gouvernement envoie cet Ingénieur dans l'intérieur du pays, pour faire des études (rapports, plans, etc) son équipement et nourriture personnel ainsi que l'entretiens du cuisinier et de deux boys seront toujours à sa charge, et à partir d'Addis-Abeba jusqu'au lieu d'exécution des dits travaux d'études (aller et retour) les aides, l'escortes, les mulets de selles et de charges, les chargeurs, les instruments et le personnel ainsi que le matériel nécessaire aux études et rélevées, seront à la charge du Gouvernement Ethiopien et pendant la durée de son voyage dans l'intérieur.
>
> Si donc en principe ces conditions sont acceptées, veuillez me le faire savoir, et on fera savoir à quel moment cet ingénieur devra arriver en Ethiopie."

884.6461-Isaac Adam/9
FEB 8 1926

A translation of the letter received from Mr. Ato Wolde Maryam is attached hereto.

I have the honor to be, Sir,

Your obedient servant,

George Orr

George Orr
American Consul in Charge.

Enclosure:1

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GO/mrc

TRANSLATION

Addis-Abeba, November 27, 1925

Mr. Robert P. Skinner,
Consul General of the United States of America,
1, rue des Italiens,
Paris.

Mr. Consul General:

Ihave the honor to acknowledge the receipt of your esteemed favor of October 21, 1925.

Upon my arrival at Addis-Abeba, and previous to the receipt of your letter, I communicated to His Imperial Highness the negotiations which I had the honor to conduct with you in regard to the employment of an American engineer who might effect a study of the possibility of establishing water dams on certain of our rivers, together with the surveys and drawing up of topographical plans.

I also transmitted your respects to His Imperial Highness, as you kindly had asked me to do, and "Monseigneur" has requested me to thank you for your kindness and has been touched by the interest which the American Government saw fit to display in the circumstances.

As I had the honor of explaining to you verbally, although the salary put forth by the engineer in question is too high, nevertheless, taking into consideration the high recommendation of your Government, His Imperial Highness Taffari Makonnen has requested me to inform you that He accepts your proposition of ten thousand dollars under the following conditions:

Contract for one year; his traveling expenses from America and back to be borne by him; all expenses in connection with his sojourn at Addis-Abeba to be also borne by him. If the Government should send the engineer into the inland country for survey purposes (reports, plans, etc.), his personal equipment and living expenses, together with the upkeep of a cook and two boys, will be continuously at his expense, and, from Addis-Abeba to the place of execution of the said survey work and back, the assistants, the escort, the riding and pack-mules, the porters, the instruments, together with the personnel and material necessary for the surveys and any necessary construction, will be at the expense of the Ethiopian Government and for the duration of the trip in the inland territory.

If, therefore, these conditions are accepted in principle kindly

let me know, and information will be sent as to when this engineer should arrive in Ethiopia.

I beg you, Mr. Consul General, to accept my thanks and the assurance of my highest consideration.

(Signed) Ato Wolde Maryam

Seal of the Control of Affairs.

January 26, 1926.

In reply refer to
NN 884.6461/9

The Honorable

The Secretary of the Interior.

Sir:

With reference to conversations between Mr. Carlson of the Division of Near Eastern Affairs of this Department and Dr. Elwood Mead, Commissioner of the Bureau of Reclamation, concerning the desire of the Government of Ethiopia to obtain the services of an American engineer to undertake the construction of a dam on the Blue Nile, I have the honor to enclose a copy of a despatch No. 954 dated December 28, 1925, from the American Consulate General at Paris, containing additional information on the subject. The despatch transmitted a copy of a letter addressed to the Consul General by a representative of the Government of Ethiopia, of which a copy is enclosed.

I shall appreciate it if the Bureau of Reclamation would make informal and confidential inquiries among well

qualified

1919.488 Dam/9

qualified American engineers as to whether the terms offered by the Government of Ethiopia would be acceptable to them. The Department will be glad to forward, through appropriate channels to the Government of Ethiopia, information received from American engineers regarding their attitude toward this offer.

I have the honor to be, Sir,

Your obedient servant,

For the Secretary of State:

CHESTER H. GROSS
Assistant Secretary.



Enclosures:
Copy of despatch No. 954 dated December 28, 1925, from American Consulate, Paris, together with copy of its enclosure.

CR
Jan 22, 1923

WE:EC:EAB:SS

A-C/a

FA Greil

Office of Economic Adviser
JAN 21 1926
DEPARTMENT OF STATE

DEPARTMENT OF STATE
(V.G.)
JAN 11 1926
DIVISION OF
NEAR EASTERN AFFAIRS

No. 100.

AMERICAN CONSULATE,

Aden, Arabia, December 16, 1925.

JAN 23 1926
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU

FILE

SUBJECT: Proposed British Construction of a Blue Nile Dam in Abyssinia.

1—1055

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884.6461-Tsana/1
FEB 9 1926

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to report that the construction of a dam in upper waters of the Blue Nile, near Lake Tsana, for some time has been seriously considered by the British Government, according to the British Minister at Adis Abeba, in a number of conversations with me on this subject.

"It is cotton that we want, and nothing else, in this connection," stated Mr. Bentinck, the Minister. "Manchester is screaming for cotton, and since we no longer control Egyptian cotton, we must develop the possibilities of the Sudan. The best beginning is in the Upper Sudan, and the Nile tributaries in that region are most easily controlled near their sources. Lake Tsana, in Abyssinia, is a definite source, and a relatively small dam, much smaller than the new Sennar dam, for example, would easily control the ebb and flood of the long stretches of the Blue Nile, all the way to Wad Medani in the Sudan.

"This tributary of the Nile, like the others, is, at flood a raging torrent, and in the dry season a trickling rivulet.

rivulet. A dam would simplify matters, making it easily possible to provide an even flow of waters for irrigation purposes, throughout the greater part of the year. At the same time it would prove a blessing to Abyssinian farmers, since the river describes a long sweeping curve in Abyssinia before crossing our frontier.

"But the Abyssinians are not permitted to believe this. The priesthood of the Abyssinian church, which exercises enormous influence over their illiterate and superstitious people, with the support of their rather fanatical Queen, and encouraged by certain foreign interests opposed to British commercial activity in this country, has encouraged the popular belief that Ras Tafari proposes to sell their country to the English. Consequently Ras Tafari, who is likely to consider our proposal favorably, is faced with fervid agitation against it, on the pretext that certain monasteries of the Abyssinian church, built upon islands in the river, would be flooded by the dam, and rendered uninhabitable.

"To meet this argument, we instituted an expert survey of the river above the site of the proposed dam. It was found that the water-level above the dam would never be higher than it ever has been at the flood. But since the engineers who made the survey are British, the return argument is that they are prejudiced and not to be credited.

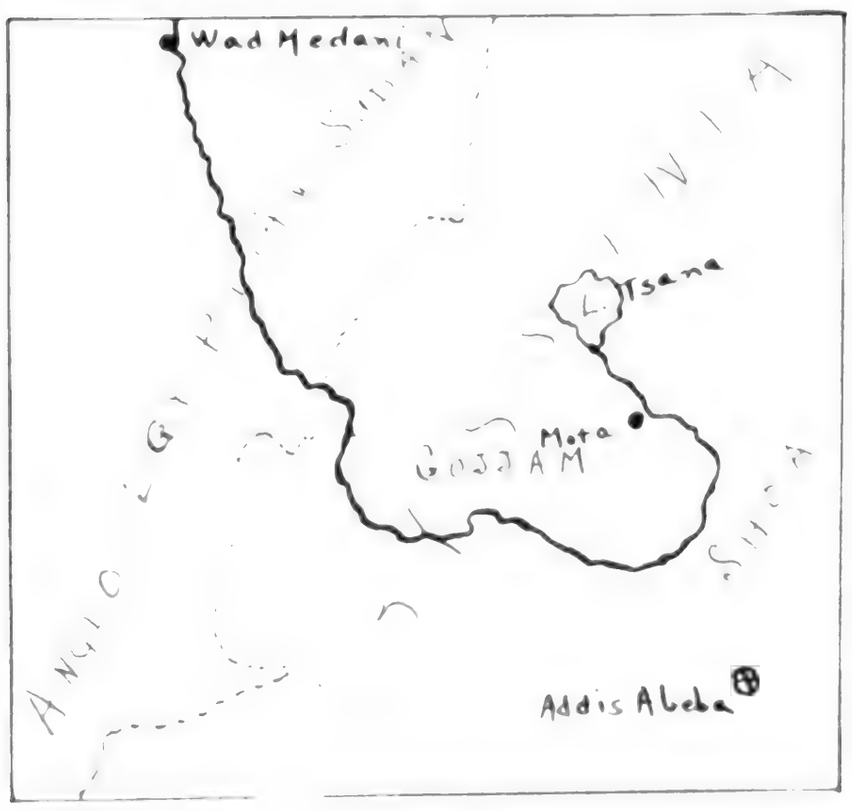
"There remains apparently only one means of overcoming this opposition. This has already taken concrete

form

form in our suggestion to the Government of Abyssinia that a commission of three engineers, each from a different country, having no frontiers adjoining, and no great interest in, Abyssinia. It has been proposed recently that these three engineers be chosen from the United States of America, Switzerland and Sweden.

"My personal belief is that an American expert on this commission of engineers would exert a very powerful influence upon the prejudices now prevailing against our projects, since American prestige is exceedingly enviable in this country. The other two might be chosen from any disinterested countries, but the American is essential. We would naturally leave the choice of the experts entirely to the Abyssinian Government, which would obtain the services of the engineers through direct communication with the Governments of the countries chosen."

According to Mr. Bentinck's description, the proposed site of the dam is at some favorable point, relatively near Lake Tsana, along the rather vague border line of the Provinces of Shoa and Gojjam. Several possible places have been suggested already, centering mainly in the general region of Mota.



The

The proposal is still held in abeyance by the Abyssinian Government. Ras Tafari is believed to look favorably upon the scheme, as an essential part of his program of general development of his country. He is obliged, however, to move very carefully, and to await the most favorable opportunity to put the scheme in motion. He must test the temper of the ecclesiastics and the Queen, by unofficial propagation of the new plan for obtaining disinterested expert opinion. The Prince Regent is probably strong enough to force the issue. But he knows his people, and usually holds up tentative straws to see which way the wind blows.

The British Minister evinced no little enthusiasm for the proposed dam, and expressed the hope, in the event of success, that American engineers might ultimately play a leading part in its actual construction. This, he feels, would go far towards re-assuring the Abyssinians against any ulterior British motives of an unworthy nature. "Goodness knows," said the Minister, "we have no political or territorial designs upon this country. Governmental collapse or disintegration of the Empire is the last thing in the world we care to see. And we feel that while we want to build a dam for our own benefit in the Sudan, we would also be making a very real contribution to the betterment of Abyssinia. Ras Tafari wants to grow cotton, too. He sees the value of the project to his own country. We simply have to be patient in the presence of a rather

ridiculous

ridiculous pretext for opposition to our plans."

There is little doubt that the instigator of all this opposition is the French Minister. Although according to the Tripartite Agreement of 1906, the western part of Abyssinia was set aside as the British "sphere of influence" yet the French have on repeated occasions shown their opposition to the development of any foreign influence except their own. In other words the French, it is widely believed, have frightened the Queen and her clerical supporters with the warning that "the Ras wants to sell your country to the English." Such propaganda is very effective, working almost electrically upon the imagination of a single-minded, unschooled, and fanatical people. A very real xenophobia exists amongst Ethiopians, and dates back to the Battle of Adowa, when the invading Italians were completely routed. They have no more respect for the French than for any other foreign element, but they are none the less easily influenced by French alarmist propaganda.

I have the honor to be, Sir,

Your obedient ~~servant~~,

J. Loder Park

American Vice Consul.

File No. 861.32.

Office of Economic Adviser
AUG 7 1925
DEPARTMENT OF STATE

Index Bureau
RECEIVED
DEPARTMENT OF STATE

DEPARTMENT OF STATE
AUG 7 1925
DIVISION OF WESTERN EUROPEAN AFFAIRS

SECRETARY OF STATE
AUG 6 1925

DIVISION OF NEAR EASTERN AFFAIRS

August 5, 1925

For Distribution	yes	No
Embassy		London
Consulate General		Paris

MEMORANDUM OF CONVERSATION

WITH Mr. Henry Chilton of the ~~British Embassy~~

SUBJECT: Position of Engineer for Abyssinia.

Assistant Secretary
STATE
AUG 15 1925
MR. CARR

Mr. Chilton of the British Embassy ~~called to inquire~~ with regard to reported negotiations of the Abyssinian Government to secure an American engineer for construction work in Abyssinia. Mr. Chilton said that he had received an inquiry from his Government on this point. As I felt there was no reason to make a mystery out of the situation (although I fully appreciated that the British Government might look with a certain amount of concern upon the engineering project which the Abyssinian Government was undertaking, namely the construction of a dam at the head of the Blue Nile), I told Mr. Chilton that it was true that the Abyssinian Government, through their representative in Paris, had approached our Consul General there with a view to ascertaining whether an American engineer could be obtained. The reply had been made that it was possible that an American engineer would be interested but that this was a private matter which the Abyssinian authorities might

wish

Copy Transmitted by The Commercial Office (A-C/O) To London

JAN 28 1926

wish to take up with competent American engineers directly since the United States Government did not intervene in matters of this nature. According to the latest information it was possible that the Abyssinian Government would send a representative to the United States to look into the matter further but no definite action had yet been taken.

Mr. Chilton stated that he had understood that the Abyssinian Government was also approaching certain other countries, he thought Switzerland and Sweden, although he did not know whether the Abyssinian Government proposed to get three engineers of different nationality or merely to select one from among the nationals of the three countries to which they had turned. I told Mr. Chilton that our correspondence did not indicate that negotiations had been started by Abyssinia with other countries although this was a possibility.

I asked Mr. Chilton whether his correspondence indicated that the British Government viewed the proposed engineering project with apprehension as I realized the deep interest of the British Government in the question of the water supply of the Sudan. Mr. Chilton told me that there was nothing in his instructions from his Government which indicated

cated that the British Government was in the least apprehensive about the matter. All they desired to know was the status of the Abyssinian Government's negotiations. (In this connection see the attached memorandum of Mr. Carlson's of June 4, 1925)

NE AWD/LVD

THE SECRETARY OF THE INTERIOR

WASHINGTON FEB -5 1926

DEPARTMENT OF THE INTERIOR
Office of Foreign Personnel
FEB 20 1926
DEPARTMENT OF STATE

INDEX BUREAU
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DEPARTMENT OF STATE

DEPARTMENT OF STATE
FEB - 1926
DIVISION OF
NEAR EASTERN AFFAIRS

February 2, 1926.

The Honorable

The Secretary of State.

My dear Mr. Secretary:

Receipt is acknowledged of your letter of January 26, 1926 (your file NE 884.6461/9) with further reference to the desire of the Government of Ethiopia to obtain the services of an American engineer to undertake the construction of a dam on the Blue Nile. With this letter was inclosed a copy of a dispatch No. 954 dated December 28,1925, from the American Consulate General at Paris and copy of a letter addressed to the Consul General by a representative of the Government of Ethiopia transmitted therewith.

In accordance with your request, the Bureau of Reclamation has carefully considered the terms of employment offered by the Government of Ethiopia and it is felt that no reputable American engineer should be asked to consider an engagement in a distant and totally unfamiliar foreign country except upon the most definite and certain terms. It is pointed out that the Government of Ethiopia itself is in far better position to estimate and provide for the expenses that such an engineer would necessarily incur in

MAR. 1 1926
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undertaking this work, the terms of employment should be

stated

the course of his sojourn at Addis-Abeba and in the inland country than he himself would be and that it is uniformly the custom in this country that the travelling expenses of a consulting engineer to and from his place of employment shall be borne by his client.

It is therefore thought that before making even informal and confidential inquiries among American engineers well qualified for this commission the terms of employment should be stated upon the basis that all expenses for travel and subsistence, both on his journey from America and return and during the period of his engagement in Ethiopia, shall be borne by that government. Such reasonable limits might be set for these travelling and subsistence expenses as experience has shown may be considered equitable under similar circumstances, but no high grade consulting engineer should be expected to leave a lucrative practice in this country and undertake arduous and responsible investigations in a foreign land without assurance as to the net compensation that he may expect to receive.

Very truly yours,

Hubert Work

undertaking this work, the terms of employment should be stated

Robert P. Skinner, Esquire,

American Consul General,

Paris, France.

February 24, 1926.

Sir:

The Department has received your Consulate General's despatch No. 954, dated December 28, 1925, enclosing a copy of a letter addressed to Consul General Robert P. Skinner by Mr. Ato Wolde Maryam on behalf of the Prince Regent of Abyssinia, indicating the conditions under which the American engineer to be placed in charge of irrigation works in Abyssinia would be employed by the Abyssinian Government.

The Department transmitted a copy of the despatch under reference, together with a copy of its enclosure, to the Commissioner of Reclamation of the Department of the Interior for consideration. A reply has now been received from the Department of the Interior, stating that the Bureau of Reclamation has carefully considered the terms of the employment offered by the Government of Abyssinia and that it is felt that no reputable American engineer should be asked to consider an engagement in a distant and totally unfamiliar country except under the most definite terms. The Commissioner of Reclamation therefore considers that before making even informal and confidential inquiries among American engineers well qualified for undertaking this work, the terms of employment should be

stated

894.48

stated on a basis that all expenses for travel and subsistence, including the journey from America and return as well as during the period of his engagement in Abyssinia, should be paid by that Government. A copy of the letter is enclosed for your information.

As Consul General Ralph J. Totten is proceeding to Abyssinia in the near future, the Department has given him a copy of the despatch under reference, together with a copy of the enclosure, as well as a copy of the letter from the Department of the Interior, and has requested him to explain these matters personally to the appropriate authorities in Abyssinia. Mr. Totten will be in a position to explain more fully the foregoing point of view than could be done by correspondence.

I am, Sir,

Your obedient servant,

For the Secretary of State:

LEWIS HARRISON

Enclosure:

From the Secretary of the Interior, February 5, 1926.

884.6461/11 Feb. 23, 1926 CB MS.

NE:KC:ERA:SS

DW KC

Issued by Mr Totten MS.

A true copy of the signed original

884.6461

ADDRESS ALL COMMUNICATIONS TO
THE COMMISSIONER

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION

OFFICE OF THE COMMISSIONER

WASHINGTON June 3, 1925.

DEPARTMENT OF STATE
JUN 10 1925
DIVISION OF
NEAR EASTERN AFFAIRS

INTERIOR BUREAU
Room
JUN 10 1925
Dept of State

Mr. Knute E. Carlson,
State Department,
Washington, D. C.

Dear Mr. Carlson:

Supplementing recent correspondence I have had with you on the subject of securing an engineer for the building of a dam across the Blue Nile, in Abyssinia, I have further advice for you from our former General Superintendent of Construction, Mr. F. T. Crowe, in which he states in a letter dated May 29 that, owing to the acceptance of an attractive position with the Morrison-Knudsen Construction Company of Boise, he will be unable to consider the position in Abyssinia. Mr. Crowe would have been an ideal man for the position and I regret he did not find his way clear to consider it.

Very truly yours,

Edward Mead

Commissioner.

884.6461-Irrigation/12

MAR 4 1926

FILED

DEPARTMENT OF STATE
MAR 18 1926
DIVISION OF
NEAR EASTERN AFFAIRS

Office of Economic Adviser
MAR 19 1926
DEPARTMENT OF STATE

DEPARTMENT OF STATE
MAR 20 1926
DIVISION OF
INDEXING BUREAU

No. 1960

AMERICAN CONSULAR SERVICE
American Consulate General

Paris, France, March 2, 1926.

Instruction 8
Paris drafted March 5 1926
Washington March 19, 1926.

SUBJECT: American Engineer for Irrigation Work in Ethiopia.

For Distribution

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON, D.C.

Sir:

884.6461/9

I have the honor to refer to Despatch No. 954 addressed to the Department on December 28, 1925, from this office while I was absent on leave. It will be observed from the proposal of the representative of the Ethiopian Government that the American Government is expected to nominate an engineer capable to take charge of irrigation work in Ethiopia, and while the Department may have some hesitancy in making a selection, I trust that it will do so as, certainly, the Ethiopian Government would only be confused if called upon to select one from a number of unknown candidates. Without much doubt, if the Department will submit a practical suggestion, the Ethiopian Government will take the further necessary steps.

It is no doubt in the interest of American trade and political relations that the irrigation work contemplated in Ethiopia should be carried out under American supervision. I therefore trust that, before very long, I may be instructed in what terms to reply to Mr. Ato Wolde Maryam.

I have the honor to be, Sir,

Your obedient servant,

Robert P. Skinner
American Consul General.

864
RPS/mrc

884.6461/9 - Teamwork, May 13 1926

March 19, 1926.

Robert P. Skinner, Esquire,

American Consul General,

Paris, France.

Sir:

The Department has received your despatch No. 1060, dated March 2, 1926, referring to despatch No. 954, dated December 28, 1925, from the Consulate General concerning the conditions under which the American engineer to be placed in charge of irrigation works in Abyssinia would be employed by the Abyssinian Government. It has been noted that in your opinion it would be desirable for the Department to select an engineer capable to take charge of irrigation work in Abyssinia.

The Department indicated in its instruction to you of February 24, 1926 that as Consul General Ralph J. Totten is proceeding to Abyssinia in the near future, it has given him a copy of the Consulate General's despatch No. 954 of December 28, 1925, together with a copy of the enclosure, as well as a copy of the letter from the Department of the Interior. The Department requested him to explain these matters personally to the appropriate authorities in Abyssinia. The Department also suggested to Mr. Totten that it would be desirable for him to proceed to Paris for the purpose of conferring with you regarding these matters. It is assumed, therefore, that you will

have

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have an opportunity to discuss this matter with Mr. Totten upon his visit to Paris.

I am, Sir,

Your obedient servant,

For the Secretary of State:

WILLARD HARRISON

884.6461/13

Mr. 16, 192[illegible] CH

A true copy of the signed original.

ENE KC:RMB SS

DOCUMENT FILE

NOTE

INDEX BUREAU

884.6461-Zeqna Alam/4

SEE 884.77/1 FOR despatch #1146

FROM Paris (Skinner) DATED April 8,1926

NAME

TO

1—1127 G P O

REGARDING: Alleged European designs upon Ethiopia. Advises of Anglo-Italian negotiations during which Great Britain demanded control of waters of Lake Tsana, which is source of Blue Nile, with a view to irrigation of Soudan Advises of desire of Ethiopian Government to secure an American Engineer to control headwaters of Blue Nile, which will give Ethiopian control of water supplies of the country.

leb

No. 1146

American Consulate-General.

Paris, France.

April 8, 1926.

SUBJECT : Alleged European designs upon Ethiopia.

THE HONORABLE,

THE SECRETARY OF STATE,

WASHINGTON, D.C.

Sir:

I have the honor to bring to the Department's attention an article which appears to-day in the rather serious "Echo de Paris", according to which the British and Italian governments have undertaken to discuss their interests claimed or acquired in Ethiopia. It does not appear whether or not the Ethiopian Government itself has been consulted in the premises. The article in question, in translation, reads as follows :

" It is announced that in January and February last a very thorough exchange of views took place between the governments of Great Britain and Italy on the subject of Ethiopia. According to the Anglo-Franco-Italian treaty of December 13, 1906 - a treaty which has never been sanctioned by the Ethiopian Government - an understanding was reached between the three powers interested on the subject of the construction and exploitation of railways. To France were assigned the railways between Addis-Abeba and the colony of Djibouti. It is well known that the railway from Addis-Abeba to Djibouti has been in operation since a long time, the French Government charging itself with the eventual deficits resulting from the exploitation. To Italy was

secured the right to connect its railway at Diredawa with the other colony on the Somali coast, by means of a railway going to the West of Addis-Ababa. As to England, she obtained for her part the right to locate the railway from the Lago to Cairo across the Ethiopian territory.

" It seems that in the most recent Anglo-Italian negotiations, an increase in the rights accordingly and discussed. At the same time Great Britain demanded the privilege of controlling the waters of the Lake Tsana, which is the source of the Blue Nile, with a view to the irrigation of the Soudan, without affecting Ethiopian sovereignty. It is not yet known whether a definite agreement has been reached but it does seem to be already determined that advantages have been granted to the Government [redacted]."

The above article, no doubt, explains in a measure the recently manifested desire of the Ethiopian Government to secure an American engineer for the purpose of controlling the headwaters of the Blue Nile as explained in my recent correspondence with the Department. It is quite certain that the Ethiopian Government is not deceived by the euphemistic suggestion that [redacted] control of the Blue Nile can be established "without affecting Ethiopian sovereignty" and, therefore, it has already taken certain preliminary steps with a view to the maintenance of complete Ethiopian control of the water supplies of the country. By means of a properly conceived system of dams and irrigation streams planned by an American engineer, yet to be named, whose interest would be limited to bringing about the best results for the people of the country, chiefly concerned.

Nothing is known, as yet, concerning the official attitude of the Government of Ethiopia respecting the construction of an Italian railway west of Addis-Ababa, but having regard to the events of 1896, when Italian forces were repulsed with

[redacted]

heavy losses, it is not likely that this new scheme of "peaceful penetration" will be viewed with great enthusiasm. On the other hand, it is well known that the Italians for many years have been very sensitive about the mortification which followed the failure of their original efforts to seize control of Ethiopia. It is not without interest, in this connection, to remember that the most valuable trade of Ethiopia, for many years, has been enjoyed by the United States. It will be difficult to discover any proper ground for establishing or seeking to establish European spheres of influence in Ethiopia, a country which has never molested its neighbors in any respect, and where a primitive Christian civilization has existed since something like 1500 years.

I enclose herewith the original of the article, a translation of which is embodied in the present despatch.

I have the honor to be, Sir,

Your obedient servant,

Robert P. Skinner.
American Consul General.

Enclosure
864
RPS/VT

Le gouvernement [illegible] promis à l'Italie [illegible] en Abyssinie

On [illegible] février [illegible] vues très poussées [illegible] les gouvernements anglais et italien au sujet de l'Abyssinie. Aux termes du traité anglo-[illegible] du 13 décembre 1906 — traité qui ne fut jamais sanctionné par le gouvernement abyssin — une entente avait été conclue entre les trois puissances intéressées au sujet de la construction et de l'exploitation de chemins de fer. A la France étaient réservées les communications ferroviaires entre Addis-Abeba et la colonie de Djibouti. On sait que le chemin de fer Addis-Ababa-Djibouti fonctionne depuis longtemps, le gouvernement français se chargeant de combler éventuellement les déficits de l'exploitation, à laquelle était accordée la faculté de prolonger sa colonie de l'Erythrée [illegible] autre colonie de la côte [illegible] par le moyen d'une voie [illegible] à l'ouest d'Addis-[illegible] l'Angleterre, elle [illegible] part le droit de [illegible] de fer du Cap [illegible] territoire [illegible]

Il semble [illegible] négociations [illegible] grandissement [illegible] l'Italie a [illegible] temps, l'[illegible] liberté d'[illegible] Tsana, d'[illegible] de l'irrig[illegible] ler situé [illegible] sine. On [illegible] définitif[illegible] ble bien [illegible] res [illegible] mis au gouvernement de Rom[illegible]

FILE
Review of the attitude taken by Ras Tafari towards the recent British-Italian agreement relating to Ethiopia; NO ACTION should be taken in this matter unless it is given voiced by the Ras.

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

November 17, 1926

Mr. Shaw:

In May 1925 the Department received a telegram from Consul General Skinner in Paris requesting on behalf of Abyssinia the assistance of the Department in an effort to obtain the services of an American engineer for the construction of a dam near Lake Tsana for important power and irrigation developments. The Department communicated informally with Dr. Elwood Mead, Director of the Bureau of Reclamation, and obtained from him the names of American engineers. Dr. Mead also suggested that the salary of the engineers should not be less than $10,000 per annum and expenses. Information regarding the salary of the engineer was telegraphed by the Department to the Consul General at Paris with an indication that the representative of Ras Tafari would presumably visit the United States to negotiate with these men for employment in Abyssinia.

The Department had no further information in the matter until January 1926 when a despatch was received from Paris quoting a letter from Abyssinia to Consul General Skinner setting forth the details offered by Abyssinia to such an engineer. These terms were

submitted

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submitted to Dr. Mead of the Bureau of Reclamation who answered that no reputable American engineer should be asked to consider an engagement in a distant and totally unfamiliar country except under the most definite terms. He therefore rejected the terms offered by Abyssinia. This information was forwarded to Paris for transmission to Abyssinia. Copies of the principal papers in the case were given also to Consul General Ralph J. Totten when he went to Abyssinia with the suggestion that he might find opportunity to express personally to the appropriate authorities in that country the practice in the United States with respect to the employment of engineers. It was mentioned also that the Department would be glad to render such assistance in the matter as might be practicable.

In the reports I have seen from Consul General Totten on Abyssinia there has been no reference to the subject. In view of the current report from Vice Consul Parks at Aden, would it be desirable also for the Department to mention to a reputable irrigation enginmer the desire of the Abyssinian Government to obtain a person for irrigation work in that country? I have in mind Mr. F. H. Newell whose

reputation

reputation as an authority on irrigation matters is too well known to require any further statement than is contained in the attached page.

The matter could perhaps be handled in this Way: Mr. Newell would be told informally of this inquiry from Abyssinia and asked to indicate the conditions on which he would be willing to undertake the work. His terms might be stated to the American Consulate at Aden for transmission to Ras Tafari.

NE-KC:FT.

(From Who's Who—with revision)

NEWELL, FREDERICK HAYNES, engineer, civil, mining, hydraulic; former chief U. S. Reclamation Service; born Bradford, Penna.; graduate Mass. Inst. Tech., in mining engineering, 1885; post-graduate studies in petroleum geology; assistant in Ohio Geological Survey in oil fields; mining investigations in Pennsylvania and Virginia; assistant hydraulic engineer, U. S. Geological Survey, 1888-90; hydrographer, 1890-1902; chief engineer U. S. Reclamation Service, 1902-07; first director, 1907-14; then consulting engineer.

Mr. Newell graduated in 1885 at the Massachusetts Institute of Technology and after field experience in Colorado and other states was appointed on October 2, 1888, as Assistant Hydraulic Engineer of the U. S. Geological Survey, being the first aid designated under Maj. John W. Powell to investigate the extent to which the arid regions of the United States might be reclaimed by irrigation. He advanced steadily in the work, expanding its scope and being successively designated as Hydrographer and as Chief of the Hydrographic Branch. At the same time he actively assisted Representative Francis G. Newlands (later Senator) of Nevada, George H. Maxwell of California, President of the National Irrigation Association, and others in the preparation and public presentation of various congressional bills, one of which by the personal efforts of President Roosevelt became the Reclamation Act when signed by the latter on June 17, 1902. Immediately after that date Mr. Newell was appointed Chief Engineer under Charles D. Walcott, then Director of the U. S. Geological Survey.

During the next few years the organization of the Reclamation Service was completed and plans outlined for extensive work in each of the western arid states, work being initiated on most of these. In 1907 when Mr. Walcott left the Geological Survey to become Secretary of the Smithsonian Institution, the Reclamation Service was organized as a separate bureau of the Department of the Interior with Mr. Newell as Director and Arthur P. Davis as Chief Engineer. Construction was rapidly pushed until twenty-six projects including reservoirs, canals and related works were completed in whole or part, notably the Roosevelt, Shoshone, Arrowrock, Gunnison Tunnel and others, involving the investment of over $100,000,000, in 100 dams, of which ten form reservoirs of national importance, also 25 miles of tunnels, 13,000 miles of irrigating canals and

ditches with regulating works, bridges, steam and hydro-electric generators, transmission lines, pumps and devices connected with supplying water to 20,000 farms. Especial efforts were made to attain the highest practicable economy and efficiency in the execution of the work and to meet the need and desires of the settlers under them.

Ex-President Theodore Roosevelt has written "For fourteen years I have followed at first hand the work of Mr. Frederick H. Newell, I speak from my personal knowledge when I say that he was one of the most loyal, disinterested and efficient public servants the United States has had throughout that period. I first came in touch with him when I was Governor, when I drew on him for aid and advise in formulating the proper conservation policy for the State of New York. During the years that I was President he was one of my right-hand men. It is too often the case in the United States that the men who are most prominent, who attract most attention, are inefficient or even vicious public servants, whereas the men who do the best work (I think, rather better than that done by the public servants of any other nation), pass almost unnoticed and without any adequate reward. Mr. Newell belongs to that small group. He is a public servant of whom it is the bald and literal truth to say, that by his services he has made all good American citizens his debtors."

In addition to his official duties, Mr. Newell has served as Secretary of the National Geographic Society and also of the American Forestry Association. He has been an active member of many scientific societies serving on committees of the American Society of Civil Engineers, the American Society of Mechanical Engineers, the Washington Society of Engineers (President in 1907), Washington Academy of Science (Vice President 1907), Western Society of Engineers, member of the U. S. Land Commissions, U. S. Inland Waterways Commission, National Advisory Boards for Fuels and Structural Materials, Illinois State Board of Examiners of Structural Engineers, Illinois Society of Engineers, Engineering Council (N. Y.), American Association of Engineers (President 1919), Reclamation Research Committee.

Member of Cosmos Club (Washington), and various Greek letter, altruistic, and scientific organizations.

Author: Oil Well Drilling (1888); Agriculture by Irrigation (1894); Hydrography of the Arid Regions (1891); The Public Lands of the United States (1895); Irrigation in the United States (1902); Hawaii, Its Natural Resources (1909); Principles of Irrigation Engineering (1913); Irrigation Management (1916); Engineering as a Career (1916); Water Resources, Present and Future Uses (1919); etc.

Awarded the Cullum gold medal by the American Geographical Society.

NO. 252

AMERICAN CONSULATE,

Aden, Arabia, September 5, 1927.

SUBJECT: Ras Tafari's and European Press Comment regarding Lake Tana and associated politics.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to enclose four articles in French and English from "Correspondance d'Ethiopie", No. 7, of August 10, 1927, concerning the British desire to obtain the Lake Tana barrage concession, the resulting ill-starred Anglo-Italien agreement of December, 1925, regarding mutual support in their respective Ethiopian policies (Enclosure 1); French suspicion of the Anglo-Italian manoeuvre (Enclosure 2); England's alleged but unconfirmed abandonement of Italian assistance (Enclosure 3); and, (Enclosure 4), quotations of British and French comment in the premises, respectively by the "Manchester Guardian", with its usual penetrating insight and by a certain Max Bresól of the Paris "Quotidien".

Reference is made in this connection to my first discussion regarding the British Lake Tana developement ambitions in Despatch Number 100 of December 16, 1925, the Italian position, in the more general consideration of Italy's increasing activity and ambition in this area, set forth in Despatch Number 155 of July 3, 1926 (from page 18), and Despatch Number 173 of August 23, 1926, citing certain Press comment and the result of further investigation

investigation of the progress of the Anglo-Italian fiasco.

It has up to the present been the endeavor to consider fairly the exact points of view of the British, who have a valid reason for pressing the Tana proposal, of the Italians, who seem willing to join with anybody and promise anything, so long as they can gain a foothold in Ethiopia, unconditionally barred from them since they tried, thirty-one years ago, to take the country by force; and, finally, of Ras Tafari, who would like to find some means whereby the British might achieve their aim without endangering the territorial integrity of Ethiopia, or arousing the suspicions of the landlords and peoples near Lake Tana. The French attitude, of course, always plays its quiet role. Their prevailing note is silent, but better antagonism to ward the claims of the other two Powers.

The leading article in "Correspondance" apparently dictated by Ras Tafari to the Editor, Mr. Erich Weinzinger, entitled "A GRET AFRICAN PROBLEM: LAKE TANA" (the first enclosure herewith), is a striking, masterful, analytical and sufficiently thorough resume of the whole situation, amply demonstrating the sincerity of the Regent in his desire to achieve the proposed British water conservation and communication scheme. It is an amazingly clear expose of the Manchester cotton hunger underlying British anxiety and persistence. It points out, moreover, His Highness's regret for Great Britain's impatience in pressing the matter during the first ten precarious years of Ras Tafrai's Regency. Just as soon as, in 1926, Ras Tafari began to feel firmer ground under his feet, the British, desperate from twenty-

five

five years' delay, were moved, by some ill-informed director of policy, to "spill the beans", by making the terrible blunder of joining forces with Italy. Whatever they may have in common elsewhere, Ethiopia is not to be their meeting ground. The very least that the British can do now is to renounce all Italian persuasions, yet even their utmost leaves the period necessary for the fruition of their plans open to the veriest speculation. They have set the clock back.

Despite the folly, of their Italian entente, the British have indeed had reason for impatience, since twenty-five years is a long time to wait. Ras Tafari, however, in his leading article, painstakingly points out the reasons for delay. It would probably have been unseemly for him to mention an additional reason of great potency, namely, that the Italian campaign of conquest, ending disastrously for them at Adowa in 1896, was so thoroughly effective in putting this fighting nation on its guard against all foreigners, that at least a generation or two would have to come and depart before Ethiopian Xenophobia could possibly moderate.

Ras Tafari's quotation of a "well-informed person's" tentative solution of the vexed problem of building a barrage and road without antagonizing the leaders and population of the Tana sector, namely, to provide a neutral technical commission to do the work, corresponds roughly with the British Minister's plan which he suggested to me in October, 1925.

The enclosed plan is rather weaker than Mr. Bentinck's

Bentinck's from the British point of view, in that it seems to propose that the commission, in order to ally suspicion, be formed of men of Belgian, Swiss and the three "interested" nationalities, namely, Engla d, France and Italy. Mr. Bentinck thought that the commission should consist of nationalities not represented in Ethiopia, as Swiss, Swedish and American, carefully omitting the three jealous "sphere-of-influence" competitors. The inclusion of either or both French or Italian would guarantee nothing quite so completely as failure. The burthen, in effect, of all the enclosures herewith is: "We hope the British can do it, but how?".

The British in Aden and a number of other Englishman who are well-informed generally as Major Cheeseman, for example, author of "In Unknown Arabia", and British frontier Consul in Ethiopia, are uniformly amazed at the Anglo-Italian blunder, frankly and sorrowfully admitting its patent folly, especially in view of the fact that it was unnecessary. Some think that the motive was inspired by a British desire to "sew up" the Italian's in the latter's committal to any fixed policy, however hopeless, in order to prevent any possibility of Italian impediment to the Tana scheme, thus eliminating at least one possible rival in Britain's carefully and jealously guarded sphere. French suspicion of the entente, as being particularly directed against French interests, is natural, but French rancor is motivated by their determination to delay as long as possible <u>any</u> non-French developement proposal.

The

The present Acting Resident of Aden, Major T. C. Fowle, thinks that the Anglo-Italian alliance must have been dictated by authorities in London, not adequately advised of conditions, and who could not have realized the untimeliness of the step. However, the Major, whose own Southern Arabian policies have been complicated by Italian activities there, is pleased to observe that the British appear to desire the annulment of their Italian imbroglio in Ethiopia and he expresses the hope that Mr. Bentinck's original plan, including American advisory assistance and excluding any trace of Italian or French "assistance" in building the barrage and trunk road to Sudan, might form the basis of future action.

The British are not particularly insistent upon American technical collaboration, but they would welcome it if it might in any way serve their purposes. It would certainly seem to be inadvisable from our point of view, since our safest and most effective policy would seem to be strict neutrality and independent action. England is ear-marked in Ethiopia as an imperialistic and land-grabbing nation, Italy is a joke and France the inoffensive cultural mentor. The United States is looked upon as a country of big merchants, big hearts and big purses. The belief is general in responsible Ethiopian circles that Americans might bring the desired benefits to the country without any motive beyond a legitimate desire to make money work. American collusion with any other nationality, in whatever direction or however

innocent,

innocent, would identify Americans, willy-nilly, with that nationality and defeat their legitimate economic objectives. I feel that the British suggestion of Amerucan assistance in the Tana matter has been prompted entirely by the expediency envisaged.

Although the phrase occurring in the first paragraph of page 3 of Enclosure 1, "d'adjoindre aux trois interesses deux neutres, etc." is taken to refer to England, France and Italy as the interested parties necessarily involved in any developement scheme, as laid down in the Tripartite Agreement of December 13, 1906, there is the bare possibility that this may mean three British technicians for the Tana commission. My interpretation has been founded upon the Tripartite pledge that the three Powers "shall concert together", in order to safeguard their respective interests (Article 4), and that in connection with the French railway (Article 7), "the French Government will endeavor to arrange that an Englis, and an Italian and an Abyssinian Representative shall be appointed to the Board of the French Company, etc".

However ill-advised may have been Italian cO-operation, <u>per se</u>, with Britain, and however suspicious may have appeared the seven month's delay in publishing the secret entente, the failure of these two Governments to invite the participation of France, constitutes a one palpable and legally reprehensible violation of both the letter and spirit of the Tripartite Agreement. In October, 1925, when the Anglo-Italian accord of December in the same year was no

doubt

doubt already being considered, Mr. Bentinck intimated to me that the spirit of the 1906 Agreement never had been observed and that the letter was consequently being gradually forgotten.

"In fact", he added, "I am not so sure that the Agreement is still valid". A careful examination of it, however, fails to disclose any time limit or provision for annulment or renewal.

It would be a blessing for all concerned if the three Powers could only consider all matters affecting them in Ethiopia by common consent and united action, as they solemnly promised in writing. But unfortunately they seem unable to achieve a friendly concert, acrid mutual suspicion leaving the independence and neutrality of any future American policies clearly indicated.

The second article in Enclosure 4 reflects the French opinion that the visit of the Duke of Abruzzes is an admission of error in making imperialistic plans with Britain and an endeavor to win, belately, to be sure, the advantages which strong-arm methods could not achieve. The account of the royal visit was submitted in Despatch Number 235 of July 19, 1927.

I have the honor to be, Sir,

Your obedient servant,

James Loder Park.

American Vice Consul.

Enclosures

Enclosures:

From "Correspondance d'Ethiopie, August 10, 1927, in French and in English:

1 (A-B). "A GREAT AFRICAN PROBLEM: LAKE TSANA."

2 (A-B). "AN ANGLO-ITALIAN ACCORD AGAINST FRANCE?"

3 (A-B). Article regarding alleged British disregard of the Anglo-Italian agreement.

4 (A-B). "THE ANGLO-ITALIAN ACCORD OF 1925 COMMENCES TO BECOME A DISCORD".

C 741.61

Original and 4 copies to the Department.

1 copy to the Embassy, London.

1 copy to the Embassy, Rome.

1 copy to the Legation, Athens.

File No. 800

C O P Y.

Enclosure 1 (A)

Journal: "Correspondance d'Ethiopie"

Place: Addis Ababa, Abyssinia,

Date: August 10, 1927.

UN GRAND PROBLEME AFRICAIN: LE TAC TSANA.

Durant les derniers mois de 1926 et au debut de 1927, le pouvoir du prince Taffari, regent et heritier du trone d' Ethiopie, s'est affirme au point de lui enlever toutes preoccupations de politique interieure, ce qui autorise a croire qu'il va envisager sous peu la question du Lac Tsana.

Situe apres de 1760 metres d'altitude, en plein massif abyssin, ce lac donne naissance au Nil Bleu qui apporte a l'Egypte le limon, elemente primordial de son agriculture.

Des travaux d'arts, executes sur le lac, permettraient en recuperant des masses d'eau qui se perde actuellement sans profit, de fertiliser au Sudan, d'immenses terrains favorables a la culture du cotton.

On saisera l'importance du lac Tsana dans l'economie de l'empire brittanique si l'on songe que l'industrie cottoniere anglais est menacee par une penurie de matiere premiere et que les travaux donneraient uh element de garantie de la securite du canal de Suez en favorisant le controle de l'eau necessaire a l'existence de l'Egypte.

Des notes furent echangees en Decembre 1925, entre l'Angleterre et l'Italie, prometteant une aide reciproque pour faire obtenir a la premiere la concessiondu lac Tsana et d'une route automobile allant du lac au Sudan, a la seconde la construction d'un chemin de fer traversant l'Ethiopie du nord au sud avec une shpere d'influence economique exclusive.

Ces

Ces notes produicirent une impression penible en Europe et apparurent contraires a l'esprit de la Societe des Nations dont l'Ethiopie faisait partie depuis Septembre 1923.

Le Prince Taffari fit immediatement parvenir a Sir Eric Drummond, secretaire general de la Societe, une protestation tres nette et non exempte d'une certaine seheresse.

Pour se justifier l'Angleterre exposa qu'ayant attendu vingt cinq ans l'execution des clauses relatives aux barrages du Nil Bleu, du Tsana et du Sobat contenu dans le traite signe en 1902 avec Menelik, elle etait en droit de recourir a des moyens nouveaux. La longue maladie de Menelik, l'avanture de son herit-Lidj Yassou et les debuts de la regence du Prince Taffari ne furent pas des eqoques propices a l'etude calme et raisonnee d'un probleme interessant le coeur meme de l'Ethiopie.

Ce n'est qu'au cours de 1926 qu'on verra la politique souple, mais tenace, du regent s'imposer a tous les partis, lui permettant d'affronter en fin les problemes de la politique exterieure dont le plus pressant est celui du lac Tsana.

Le Prince Taffari n'a jamais entendu, par simple caprice, empecher le developpement du Sudan, mais la note anglaise a Mussolini l'invite a la plus extreme prudence: des travaux anglais et un route anglaise au sein de Ethiopie apparaissent difficilement compatibles avec les prerogatives d'un etat souverain.

Les affirmations reiterees de l'Angleterre qu'elle N'a d'autre but que d'obtenir l'eau necessaire au Sudan permettent cependant d'envisager une solution toute empreinte de L'esprit de la Societe des Nations.

Rien

Rien ne S'oppose a la creation d'une societe ethiopienne d'ordre commercial a qui l'Ethiopie apporterait le lac et les terrains necessaires aux travaux, l'Angleterre et L'Egypte les capitaux. Une personalite, tres au courant des affaires ethiopiennes, a suggere dans le but de mieux rassurer le pays, d'ajoindre aux trois interesses, deux neutres en l'occurrence, la Belgique et la Suisse, appartenant toutes deux a la Societe des Nations. Des techniciens neutres recevant des directives d'Addis Ababa, construriraient et surveilleraient les ouvrages avec le concours d'ouvriers ethiopiens ce que eviterait toutes suspicions.

Il apparait que le gouvernement ethiopien est dispose a etudier le probleme dans cet esprit.

S'il faut reconnaitre que l'Angleterre a pu avoir des raisons de se plaindre de la proverbiale lenteur de la diplomatie ethiopienne, il est a souhaiter, au point de vue de la moralite internationale, que la question de lac Tsana, qui va bientot redevenir d'actualite, se reglera sur la base du respects des droits de l'Ethiopie, seule nation chretienne d'Afrique.

C O P Y. Enclosure 1 (B)

Journal: "Correspondence d'Ethiopie",

Place: Addis Abbaba, Abyssinia,

Date: August 10, 1927.

Transaltion from French.

A GREAT AFRICAN PROBLEM: LAKE TSANA.

During the latter months of 1926 and the early part of 1927, the powervof Prince Tafari, Regent and Heir of the throne of Ethiopia, became sufficiently established to relieve him of all anxiety regarding internal politics, and to enable him to believe that he could soon deal with the question of Lake Tsana*. (Tana*.

Situated at an altitude of about 1,760 metres in the heart of mountainous Abyssinia, this lake is the fountain head of the Blue Nile, which carries to Egypt that alluvium which is the primordial element of Egypt's agriculture.

Engineering works on the lake would, in conserving the masses of water at present completely lost, permit fertilization in the Sudan areas adapted to the culture of cotton.

The importance of Lake Tana in the economy of the British Empire becomes evident when it is considered that the English cotton industry is menaced by any shortage of the raw material and that the works would provide an element of gaurantee for the security

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* The Amharic alphabet is in syllables, the "Ta" being explosive, with a faint suggestion of the "Ts" sound. "Tana" is the most generally accepted spelling (JLP).

security of the Suez canal, by contributing towards the control of the water so essential for the existing of Egypt.

Notes were exchanged In December, 1925, between England and Italy, promsiing reciprocal aid in obtaining for the former the Lake Tana concession and an automobile road from the Lake to Sudan, and for the latter the construction of a railway crossing Ethiopia from north to south, combined with an exclusive economic sphere of influence.

These notes produced an unfortunate impression in Europe and appeared to be contrary to the spirit of the League of Nations in which Ethiopia has taken part since September 1923.

Prince Tafari immediately dispatched to Sir Eric Drummond, Secretary General of the League, a very distinct protest, which did not lack a certain sharpness.

In order to justify hereslf, England explained thst, having waited for twenty five years for the execution of the clauses relating to the Blue Nile barrages, Tana and Sobat, contained in the treaty signed in 1902 with Menelik, she had a right to resort to new methods. The long illness of Menelik, the succession of his heir Lij Yasu, and the first stages of the Regency of Prince Tafari were not periods propitious for the calm and reasoned study of a problem affecting the very heart of Ethiopia.

It was not until 1926 that the Regent had established a pliant but firm internal policy, with a mastery of the whole situation, finally enabling him to tackle the problems of his

foreign

foreign policy, the most pressing and important of which was Lake Tana.

Prince Tafari never intended, from sheer caprice, to hinder the developement of the Sudan, but the English note to Mussolini suggested to him the observance of the utmost caution, English waterworks and an English raod within the bosom of Ethiopia seemed scarcely compatible with the prerogatives of a sovereign state.

Without doubting the perfect integrity of England, which desires only to contribute to the actual building of the works in respect to the technical personnel, lacking amongst Ethiopians, His Highness is obliged to take into account the attitude of the great feudal landlords and of the population in the environs of Tana.

The repeated affirmation sof England that she has no other object save to obtain the water necessary for the Sudan, permits, however, the consideration of a solution markedly in accord with the spirit of the League of Nations.

There is nothing against the creation of an Ethiopian society of a commercial nature, which could obtain the lake and the necessary lands from Ethiopia, and the capital from England and Egypt. A person very conversant with Ethiopian affairs, has suggested, as a means of more effectaully reassuring the country, to join with the three interested countries, with two neutrals, Belgium and Switzerland, both of which belong to the League of Nations. Neutral technicians, receiving their directions from Addis Ababa, would construct the works with assistance

of

of Ethiopian labourers, and would supervise themworks, thus avoiding all suspicion.

It appears that the Ethiopian Government is disposed to consider the problem along this line.

If it necessary to grant that England had reason to complain of the proverbial slowness of Ethiopian diplomacy, it is also to be hoped, from the point of view of international morality, that the Lake Tana question, soon again to be brought to the fore, will be dealt with on a basis of respect for the rights of Ethiopia, the only Christian nation in Africa.

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C O P Y. Enclosure 2 (A).

Journal: "Correspondance D'Ethiopie",

Place: Addis Abbaba, Abyssinia,

Date: August 10, 1927.

"UN ACCORD ANGLO*ITALIEN CONTRE LA FRANCE?".

Le correspondent Parisien de la "Gazette de Voss" dit savoir de bonne source que le gouvernement Francais a obtenu plein confirmation du fait que l'entrevue qui a eu lieu L'annee derniere a Livourne entre Mussolini et Chamberlain n'est pas restee limitee a une simple echange de vues generales, mais a, au contraire, abouti a une entente anglo-Italienne consignee sous forme de convention ecrite. Cette convention entre le Foriegn Office et la Consulta renferme d'apres le dit correspondent un accord relatif a l'Abyssinie.

Les milieux officiels de Rome declarent que cette nouvelle est absolument inexacte.

La presse francaise croit malgre ce dementi a la convention et y voit un acte hostile a la France. Le "Quotidien" pretend que cette "entente tacite" signifie une nouvelle mainmise anglo-itallienne sur l'Ethiopie, malgre les conventions passes en 1906 avec le concours de la France.

Notre redacteur avait au milieue de Mai 1927 un entretien avec un haut functionaire du Ministere des Affaires etrangeres de Rome qui lui declara formellement qu'aucun pacte avait ete signe concernant l'Ethiopie. Nous croyonssavoir que l'Italie comprend aujourd'hui qu'elle a ete utilise par l'Angleterre

pour

 Enclosure 2 (A)

pour les buts de Londres. Egalement, nous constatons un changement important dans l'attitude de la grande presse anglaise qui est aujourd'hui de l'avis que l'Angleterre aurait mieux fait de poursuivre sa politique en Ethiopie sans se solidariser avec celle d'Italie. Nous voyons, en tout cas, que les grandes puissances font entre eux aujourd'hui encore des accords d'apparence serieuse sans s'y tenir si cela ne leur convient plus.

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C O P Y. Enclosure 2.

Journal: "Correspondance d'Ethiopie".

Place: Addis Ababa, Abyssinia,

Date: August 10, 1927.

"AN ANGLO-ITALIAN ACCORD AGAINST FRANCE?".

Translation from French.

The Parisian correspondent of the "Gazette de Voss" says that he learns from a good source that the French Government obtained definite confirmation of the fact that the interview which took place last year at Livourne between Mussolini and Chamberlain was not limited to a mere exchange of general views, but on the contrary bordered upon an Anglo-Italian agreement, recorded in the form of a written convention. This convention between the Foreign Office and the Consulta, according to the said correspondent, contained an accord regarding Abyssinia.

Rome official circles declare that this news is absolutely incorrect.

The French Press believes the report despite this denial and sees in it an act hostile to France. The "Quotidien" avers that this "tacit entente" signifies a fresh Anglo-Italian design upon Ethiopia, in spite of the convention agreed upon in 1906 with the concurrence of France.

Our editor, in the middle of May, 1927, had an interview with a high official of the Ministry of Foreign Affairs at Rome, who formally declared to him that no pact had been signed concerning Ethiopia. We are persuaded that Italy now realizes

that

that she had been used by England to serve London purposes. Similarly we note an important change in the attitude of the leading English Press which now inclines to the opinion that England would be better off if she followed her Ethiopian policy without pooling it with that of Italy. At all events, we observe that the Great Powers are still making apparently serious accords without being quite sure if these will serve their best interests or not.

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C O P Y.

Enclosure 3 (A)

Journal: "Correspondence d'Ethiopie",

Place: Addis Ababa, Ethiopia,

Date: August 10, 1927.

Une depeche de Londres informe le public que Mr. Chamberlain avait declare a la Chambre des Communes que l'Angleterre est entre en pourparlers directes avec le Gouvernement ethiopien concernant la question du Lac Tsana, avec l'exclusion de l'Italie ce qui signifierait l'annulation du fameux traite anglo-italien de 1925 dont nous parlons aussi dans la premiere partie de notre numero d'aujourd'hui. Malgre cette nouvelle annoncee de Londres, ici nous ne savons rien de pourparlers anglo-ethiopiens au sujet du Lac Tsana.

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C O P Y. Enclosure 3 (B)

Journal: "Correspondance d'Ethiopie",

Place: Addis Ababa, Abyssinia,

Date: August 10, 1927.

(Under the "Various" Heading).

A despatch from London informs the public that Mr. Chamberlain declared before the House of Commons that England has entered into direct negotiations with the Ethiopian Government regarding the Lake Tana question without the concurrence of Italy, which would signify the annulment of the notorious Anglo-Italian treaty of 1925, to which we refer in the first part of this number. In spite of this news given out from London, we know nothing here about Anglo-Ethiopian negotiations on the subject of Lake Tana.

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C O P Y. Enclosure 4.

Journal: "Correspondance d'Ethiopie",

Place: Addis Ababa, Ethiopia,

Date: August 10, 1927.

L'ACCORD ANGLO-ITALIEN DE 1925 COMMENCE A DEVENIR UN DESACCORD.

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L'article suivant, paru dans le "Manchester Guardian" du Mai 19, 1927 demontre clairement que la politique anglaise en Ethiopie desire se separer de celle de l'Italie malgre l'accord de 1925 d'apres lequel ces deux puissances s'assurent leur concours mutuel pour obtenir la realisation de leurs visees en Ethiopie.

"Depuis l'incident de l'accord singulier de l'Italie avec l'Angleterre, l'annee deriere, concernant l'exploitation de l'Ethiopie sans l'assentiment de cette derniere, on a peu entendu parler de l'Abyssinie, meme dans la presse coloniale italienne. Dernierement on a annonce que le Duc des Abruzzes, cousin du Roi Victor Emmanuel, ferait une visite au regent ethiopien Tafari Makonnen qui prepare actuellement la reception du voyageur royal. Le Duc est un excellent explorateur et sa visite doit satisfaire en premier lieu sa passion de grimper des montagnes. Mais le Duc est aussi un pionnier notoire des plans de colonisation est il est diffic e de croire que cette visite n'est pas une manifestation des tendences politiques italiennes dans la mer rouge. Il est interesant de constater que le

fascisme

fascisme qui a trouve improductives les methodes de force, recourt actuellement a une politique tendant a obtenir plutot par le douceur que par des menaces. Aucune flatterie ne pourra convaincre le Regent Tafari Makonnen de l'utilite d'une voie fermee entre la mer rouge et le Somaliland italienne a travers le territoire abyssin. Aucune flatterie ne pourra cacher que ce chemin de fer serait autre chose qu'un occupation deguissee. Le desir anglais d'exercer un controle sur les eaux du Lac Tsana ne peut pas etre compare avec le but du chemin de fer des Italiens! Mais malheureusement la realisation simultanee de ces deux projets parraissait possible en vertu de notre accord avec l'Italie et la non-reussite de l'un implique la faillite de l'autre; en tous cas la simultaneite ne sera pas obtenue.

Voila l'opinion d'un des plus grands et des plux serieux quotidiens anglais.

REVUE DE LA PRESSE

Les profits d'une Alliance.

(Max Bresol dans le Quotidien, Paris 1.-VII. 1927)

Il y a un pàu plus d'un mois, le Duc des Abruzzes arrivait en Ethiopie pour "renforcer, declara-t-il, les italiens d'

amitie

Enclosure 4

amitie entre l'Ethiopie et l'Italie." On parle a l'heure present du voyage d'un diplomate anglais en Abyssinie.

Bien que ces visites officielles et courtoises soient dues au Regent Tafari Makonnen qui, en 1924, se rendit successivement a Rome, a Paris et a Londres, elles ont -- de la parte de l'Angleterre et de l'Italie -- des buts olitiques que chaucune de ces puissances s'efforce de dissimuler.

Instruite par l'experience de l'accord anglo-italien de Decembre 1925, l'Angleterre et l'Italie ne veulent point a nouveau s'attirer les foudres des gouvernements etrangers, et ce qui est plus grave, du conseil de Geneve.

Les gouvernements de Londres et de Rome, qui sur bien desmpoints s'entendent pour une action commune, avaient en effet stipule un accord qui, signe en Decembre, ne fut communique au gouvernement ethiopien que sept mois plus tard.

Cet accord etait dirige contre l'independance de l'Ethiopie garantie par la Societe des Nations. De plus il etait incompatible avait le traite conclu en 1906 entre la France, l'Angleterre et l'Italie et d'apres lequel chacune de ces puissances s'engageait a ne pas chercher d'avantages particuliers en Ethiopie sans l'assentiment des deux autres puissances.

C'est dire si l'inquietude s'empara du gouvernement d'Addis Ababa. Connaissant ses droits, l'Ethiopie envoya une note a la S. d. N. et aux Etats-membres.

L'effet

Enclosure 4

L'effet fut immediat: les gouvernements anglais et italien, devant l'hostilite generale, se virent obliges de declarer que l'accord ne serait valable qu'autant qu'il serait reconnu par l'Ethiopie.

Depuis ce jour, on comprendra que le gouvernement abyssin n'ait point place sa confiance dans la politique menee par Londres et Rome. Les visites officielles et les protestations d'amitie n'y changeront rien.

A juste raison d'ailleurs, car tout porte a croire que l'Angleterre n'a point abandonne ses projets. Elle utilise une fois de plus l'aide de l'Italie -- passe en quelque sorte au role de vassale -- pour poursuivre ses propres interets en Ethiopie en general et dans la region du Lac Tsana en particulier.

Max Bresol.

"L'ANGLETERRE FOURNIRA-T-ELLE LES CAPITAUX?"

Une depeche du Ras Tafari exprimant a M. MUssolini sa satisfaction du bon retour du duc des Abruzzes et du resserrement des liens entre l'Italie et l'Abyssinie, ainsi que du developpement de leurs realtions, a provoque de nouveau dans la presse italienne des convoitises au sujet des multiples ressources qu'offre l'Ethiopie. Des centaines des milliers d'Itlaiens y trouveraient place.

Mais

 Enclosure 4

Mais la difficulte, ce sont les capitaux. Nos confreres italiens estiment qu'on devrait les demander a l' Angleterre et que l'on pourrait notamment etablir ainsi 5,000 kilometres de voies ferrees, reliant a travers l'Ethiopie, l'Erythree et la Somalia Italienne.

C'est tres bien mais il manque l'accord avec l' Angleterre et peut-etre ne favorisera-t-elle pas volontiers de ses deniers une active colonisation de l'Abssinie par l'Italie.

"Economiste Coloniale", Paris
28, Juin, 1927.

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C O P Y.

Enclosure 4 (B)

Translation from French.

Journal: "Correspondence d'Ethiopie",

Palce: Addis Abbaba, Abyssinia,

Date: August 10, 1927.

THE ANGLO-ITALIEN ACCORD OF 1925 COMMENES TO BECOME A DISCORD.

The following article, appearing in the "Manchester Guardian" of May 19, 1927, clearly demonstrates that the English desire toseperate their policy in Ethiopia from Italy's despite the 1925 accord, guaranteeing mutual assistance towards the valization of their respective objectives in Ethiopia:

"Since the occurrence of the singular accord between Italy and England last year, ragarding the exploitation of Ethiopia without the latter's consent, little has been heard about Abyssinia, even in the Italian Colonial Press. It was recently announced that the Duke of the Abruzzes, cousin of King Victor Emmaunuel, will make a visit to the Ethiopian Regent Tafari Makonnen who is at present preparing a reception for thebroyal traveler. The Duke is an excellent explorer, and his visit should in the first place satisfy his passion for mountain climbing. But the Duke is likewise a noted pioneer in colonization schemes and it is difficult to believe that this visit is not a manifestation of Italian political leanings

in

in the Red Sea.

It is interesting to observe that Fascism, which has discovered the ineffectiveness of methods of force, is now returning to a policy guided rather by gentleness than by threats. No amount of flattery can convince the Regent Tafari of the utility of a railway between the Red Sea and Italian Somaliland, across Abyssinian territory. No amount of flattery can hide the fact that this railway would simply be occupation in disguise. The English desire to control the waters of Lake Tana cannot be compared with the object of the Italian railway! But unfortunately the simultaneous realisation of these two projects appeared possible by means of our accord with Italy, and the non-success of the one implies the failure of the other; in any case, the simultaneity will not be acheived!!!

This is the opinion of one of the largest and most serious of English dailes.

REVIEW OF THE PRESS

THE PROFITS OF AN ALLIANCE.

(Max Bresol in the "Quotidien", Paris 1.-VII, 1927).

It is a little over a month since the Duke of Abruzzi arrived in Ethiopia to "strengthen", as he says, "the bonds of friendship between Ethiopia and Italy". There is talk

Enclosure = (B)

There is talk at the present moment of the journey of an English diplomat to Abyssinia.

Although these official visitrs and courtesies are due the Regent Tafari Makonnen who, in 1924, went to Rome, Paris and London successively, they have -- as far as England and Italy are concerned -- political motives which both Powers strive to dissemble.

Taught by the experience of the Anglo-Italian accord of December 1925, England and Italy do not wish again to draw upon themselves the thunder of foreign governments, and, what is more serious, of the Council at Geneva.

The London and Roem Governments, which on a number of points are capable of united action, have in effect laid down an aggreement which, sighned in December, was not communicated to the Ethiopian Government until seven months later.

This document was directed against the independence of Ethiopia, guaranteed by the League of Nations. It was in compatible moreover, with the treaty concluded in 1906 between France, England and Italy, according to which each of these Powers promised to seek no exclusive advantages in Ethiopia without the assent of the two other Powers.

The Government at Addis Ababa became alarmed. Knowing its rights, Ethiopia sent a note to the League of Nations and to the member States.

The effect was immediate. The English and Italian

Governments

Governments, in the face of general hostility, found it necessary to declare that the agreement would not be valid unless it should be recognized by Ethiopia.

Since then it has been clear that the Abyssinian Government has had no confidence in the policy conducted by London and Rome. Official visits and protestations of friendship will not alter this feeling.

And for a good reason, too, since everything supports the belief that England has by no means abandoned its plans. She uses once again the aid of Italy -- in some ways reduced to the role of vassal-- to follow up her own interests in Ethiopia in general and in the region of Lake Tana in particular.

Max Bresol.

"WILL ENGLAND FURNISH THE CAPITAL?"

A despatch from Ras Tafrai, expressing to Mr. Mussolini his satisfaction at the safe return of the Duke of the Abruzzes and the renewal of bonds between Italy and Abyssinia, as well as for the enlargement of their relations, has called forth anew in the Italian Press covetous comment regarding the many resources offered by Ethiopia; Hundreds of thousands of Italians might find room there.

But the difficulty is capital. Our Italian confreres deem that it might be obtainable from England, and that in this manner 5,000 kilometres of railway could be built, linking up

Eritrea

Eritrea and Italian Somalia across Ethiopia.

This is very good, but it lacks the support of England, and she will probably not favor an active Italian colonization of Abyssinia with her money.

"Economiste Coloniale", Paris,
June 28, 1927.

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PREPARING OFFICE
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Department of State

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Washington,

AMEMBASSY

November 4, 1927

LONDON (ENGLAND) 427

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An Associated Press despatch datelined New York November 3 and carried by morning newspapers today reports that the J. G. White Engineering Corporation of New York has negotiated $20,000,000 contract with the Ethiopian Government for construction of Lake Tsana dam and that London despatches say report has caused considerable surprise in British official circles. You will probably be able to obtain full text of despatch in London.

For your information in this matter and for such use as you may consider advisable:

Martin, mentioned in your despatch 2104 August nineteenth, was received by me September fourteenth. Amongst other matters he mentioned that he hoped to interest American capital in this project on the following basis: an American company to float a bond issue sufficient to finance the construction of the dam, the Ethiopian Government to conclude an agreement with the British and Egyptian Governments whereby a fair price would be paid for irrigation water made available by the dam, such payments to cover interest and amortization charges on bond issue. I replied that I saw no objection to his discussing the matter with

Enciphered by

Sent by oper by operator ..... *M.*, ..., *19*..

Index Bureau.—No. 50.

GOVERNMENT PRINTING OFFICE 1—1288

Green

701.8411/3

84.6461 - Tsana dam/16

2

3

PREPARING OFFICE
WILL INDICATE WHETHER
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Charge Department
OR
Charge to
$

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
PLAIN

Washington,

with American capitalists. On October nineteenth when calling to take leave of me Martin mentioned that he had succeeded in interesting the White interests and that they were disposed to consider undertaking the necessary financing and construction work provided the Ethiopian Government could conclude a satisfactory international agreement. This is all I know of the matter.

Martin sailed for England on the OLYMPIC* October twenty-ninth.

Hurley

Date
01.84[illegible]

A-E
WRG

* this should have read LACONIA.
NE/GW.

NE GW/GC

~~[illegible]~~

CR
NOV. 4. 1927

Enciphered by

Sent by operator ____ *M.*, ____, *19*__, ____

Index Bu.—No. 50

TELEGRAM RECEIVED

in the Departments Confidential Code

FROM

It should be closely paraphrased before being communicated to anyone

CAIRO

Dated November 7, 1927

Rec'd. 7.54 a.m.

NOV 8 1927

INDEXING BUREAU
RECEIVED
EG NOV 7 1927
Dep't of State

Secretary of State

Washington

DEPARTMENT OF STATE
NEAR EASTERN AFFAIRS

8, November 7, 10 a.m.

Great local interest regarding White Company and alleged Tsana Dam contract. Numerous inquiries indicating anxiety. November 7, 11 a.m.

WINSHIP

WWC

JHB

INDEXING BUREAU
FILED
NOV 9 1927
Dep't of State

884.6461-Tsana Dam/129

PREPARING OFFICE WILL INDICATE WHETHER

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TELEGRAM SENT

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NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

November 8, 1927 Noon

AMLEGATION

CAIRO (EGYPT).

28

Your 8 November 7, 10 a.m.,

For your information and such guarded use as you may consider advisable.

The Department has been informed that the proposition made to White and Company is briefly as follows: company to float bond issue with which to construct dam and motor road from Addis Ababa to Tsana. Ethiopian Government to agree with British and Egyptian Governments on a fair price to be paid for added irrigation water thus made available, such price to be sufficient to pay interest and amortization charges on bond issue. The Department understands that no final contract has been signed or will be signed until necessary international understanding is reached.

Representative of Ethiopian Government who made proposal to the company is now in London presumably to discuss matter with the Foreign Office.

884.6461/17

NE-GW:VT

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Sent by operator ..... M., ..., 19..

CR
Nov 9 1927

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NOV 8 27

884.6461/17-Isana Dam/17

DOCUMENT FILE

NOTE

INDEX BUREAU

884.6461-Tsana dam/18

SEE 741.65/17 FOR Despatch #1138

FROM Great Britain (Sterling) DATED June 29,1926
TO NAME

1—1127 G P O

REGARDING: Treaty between Great Britain and Italy respecting Lake Tsana. Italian Government will aid British in obtaining concession to construct barrage at Lake Tsana from Ethiopian Government.

fp

DEPARTMENT OF STATE

Index Bureau
RECEIVED DIVISION OF NEAR EASTERN AFFAIRS

NOV 9 1927

Dept. of State

November 8, 1927.

SECRETARY OF STATE
NOV 9 1927

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Files 11/10/27.
E.W.

INDEX BUREAU
NOV 10 1927
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File
711.46/Tsana Dam/19

MEMORANDUM OF CONVERSATION BETWEEN THE SECRETARY AND THE EGYPTIAN MINISTER.

The Secretary asked the Minister whether he had questions to ask on the subject of Ethiopia. The Minister replied that he had. The Secretary inquired as to the nature of the questions. The Minister replied that he wanted to know whether a contract had been signed between Dr. Martin and the J. G. White Company for the construction of the Lake Tsana Dam. The Secretary asked the Minister whether he had any other questions. The Minister admitted that the question he had asked was the particular one of interest to his Government. The Secretary then stated that so far as we were aware no contract had been signed. He explained that Dr. Martin had talked over the Lake Tsana Dam project with the J. G. White Company in New York and he understood that the Company had set down in writing their understanding of the nature of this project and of the manner in which they would, under certain conditions, carry it out. The Secretary added that of course we were delighted to have reputable American concerns go abroad and do business and that that was all there was to it so far as the Department was concerned. The Minister said he could not see that the American Government had

had anything to do with the matter; that it seemed to be a question between a foreign government and a private American concern. The Secretary emphatically confirmed the Minister's views on this point.

Mr. Shaw was present at the conference.

J. Howland Shaw.

GHS/GC

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2158

London, November 8, 1927.

RECD
INDEX BUREAU
DEPT. OF STATE
NOV 17 27

DEPARTMENT OF STATE
NOV 1 1927
DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
NOV 21 1927
DIVISION OF
EASTERN EUROPEAN AFFAIRS

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz, Archivist
Date 9-21-59

INDEX BUREAU
FILED
NOV 29 1927

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461/162

I have the honor to refer to the Department's telegraphic instruction No. 214 of November 4, 3 p. m., 1927, relating to the reported contract for the construction of the Lake Tsana dam by the J. G. White Engineering Corporation of New York, and venture to point out British interest in this proposed construction, as on the water

from

from Lake Tsana depends the economic and agricultural life of the Sudan and, to a lesser extent, the Egyptian Nile lands. Some three or four years ago, at the moment of Ras Tafari's visit to London, it was generally believed that the concession for this construction would be given to the British Government, but I am informed that the alleged British-Italian Treaty of 1925, which divided Abyssinia into two spheres of influence, and which, probably due to French advice, was protested before the League of Nations, resulted in such an unfavorable reaction that the concession was withheld from the English. In this connection special reference is made to the interesting despatch from the American Vice Consul at Aden, No. 252.

I discussed the substance of the Department's telegraphic instruction first above referred to at the Foreign Office where I was given to understand that no anxiety was felt as to the possibility of the construction of this dam by an American firm without a satisfactory arrangement having been reached with Great Britain in view of the provisions of the Treaty of Addis Ababa, signed in 1902. I am informed confidentially from an outside source that the present Ruler, in view of the fact that Abyssinia is not a constitutional country, does not consider himself bound in any way by the Menelek treaty.

The Egyptian Prime Minister, Sarwat Pasha, who was scheduled to leave London last Friday, has delayed his departure, presumably because of this alleged American contract.

contract. I am informed that, in spite of British press notices to the contrary, general Egyptian opinion is rather pleased by England's embarrassment, as Egyptians feel certain that Americans would have no desire to create hardships through their control of the dam, and this political weapon is taken away from British hands.

I lunched with the Assistant Editor of THE TIMES today, who informed me confidentially that he had reason to believe the British would not object to the construction of the dam under the American contract, providing provision was made for a satisfactory control of the dam upon the completion of the contract.

Clippings, in quadruplicate, from the local press are forwarded herewith.

I have the honor to be, Sir,

Your obedient servant,

Ray Atherton
Chargé d'Affaires ad interim.

3 carbon copies sp

3 Carbon Copies
Received ....

Enclosures:

Page 4.

Enclosures to Despatch No. , November 8, 1927.

"U.S. Stealing a March in Abyssinia",	WESTMINSTER GAZETTE	November 4, 1927,	
"Abyssinia's Deal with the United States",	DAILY NEWS	"	4, "
"Egypt's Water in Peril"	DAILY EXPRESS (1 copy)	"	4, "
"Blue Nile Dam",	THE TIMES (1 copy)	"	5, "
Abyssinian Dam for the Waters of the Nile",	DAILY TELEGRAPH	November	5, "
"America and the Nile",	MORNING POST	"	5, "
"Americans' Contract to Dam the Blue Nile",	MANCHESTER GUARDIAN	"	5, "
"The Abyssinian Dam",	"	"	5, "
"Stranglehold on Nile Waters",	DAILY CHRONICLE	"	5, "
"The Tsana Dam",	"	"	5, "
"Blue Nile Waters",	DAILY NEWS	"	5, "
"Egypt's Interests and Tsana Dam Scheme",	DAILY TELEGRAPH	"	7, "
"Blue Nile Dam",	MORNING POST	"	7, "
"Egypt Alarmed",	DAILY MAIL	"	7, "
"The Dam on the Nile",	DAILY NEWS	"	7, "
"Nile Dam Scheme",	" "	"	7, "
"The Blue Nile Dam",	THE TIMES	"	8, "
"Abyssinian Envoy's Statement",	DAILY EXPRESS	"	8, "
"The Nile Dam",	DAILY NEWS	"	8, "

PAPER WESTMINSTER GAZETTE NUMBER (1)

CITY LONDON DATE Nov 4,1937

U.S. STEALING A MARCH IN ABYSSINIA.

BLUE NILE DAM SECURED.

PERIL TO EGYPT.

BRITISH INTEREST INVOLVED.

From Our Own Correspondent.

NEW YORK, Thursday.

From Wall Street comes the announcement that American fellers will dam the Blue Nile for Abyssinia. Negotiations have almost been completed here with the J. G. White Engineering Corporation to build a $5,000,000 dam across the exit from Lake Tsana.

Abyssinia's interests will be looked after by Dr. Wargneh C. Martin, the Abyssinian Envoy-Extraordinary.

It is proposed to build the dam with American money and then sell the water for Sudan irrigation purposes, paying royalties to Abyssinia, which will eventually own the dam.

The State Department is said to favour the undertaking, and to be about to [illegible] the Legation to Abyssinia after [illegible] years.

It is believed in well-informed circles, says Reuter, that under the Treaty between Great Britain and Abyssinia no such agreement could be made.

EGYPT'S WATER SUPPLY.

The question of the construction of a dam has, it is understood, been under discussion between the British and Abyssinian Governments for some time. The importance of the project lies in the fact that it will be able to control the water supplies of Egypt and the Sudan.

In interviews with Reuter's correspondent in New York yesterday, two of the principals in the negotiations—Mr. White, vice-president of the Engineering Corporation, and Dr. Yuttner, the American agent for Dr. Wargneh Martin, who has just returned to Africa—confirmed the details of the contracts.

Dr. Martin was sent to America some months ago fully accredited by the Prince Regent, Ras Tafari Makonnen, with full powers to conclude the agreement.

According to Dr. Yuttner, Dr. Martin acted with the full knowledge of the American Government, and had several talks with President Coolidge and Mr. Kellogg, the Secretary of State, whose formal approval he is stated to have sought before the opening of the negotiations.

He also kept them fully informed of the progress of the negotiations and of the final result. Dr. Yuttner assured Reuter's correspondent that the American Government had expressed its full approval throughout.

Asked whether the British Government had been advised by the Abyssinian Government of these negotiations Dr. Yuttner replied that, so far as he knew, it had not [illegible] that it was [illegible] to avoid any [illegible]

PAPER DAILY NEWS NUMBER (2)

CITY LONDON DATE Nov 4,1937

ABYSSINIA'S DEAL WITH UNITED STATES.

TO SELL BRITAIN NILE WATER.

£4,000,000 DAM.

ECHO OF A PROTEST TO THE LEAGUE.

NEW YORK, Thursday.

ACCORDING to the "New York Times," negotiations have been practically concluded between the Abyssinian Government and the J. G. White Engineering Corporation of New York to build a dam costing £4,000,000 across the Blue Nile where it emerges from Lake Tsana, in Abyssinia.

The dam will have two objects: it will hold back the floods which periodically lay waste parts of Abyssinia, and it will irrigate and enrich the Sudan. It will, in addition, make it possible to control the Blue Nile and furnish irrigation for the British possessions through which the river flows.



Ras Tafferi.

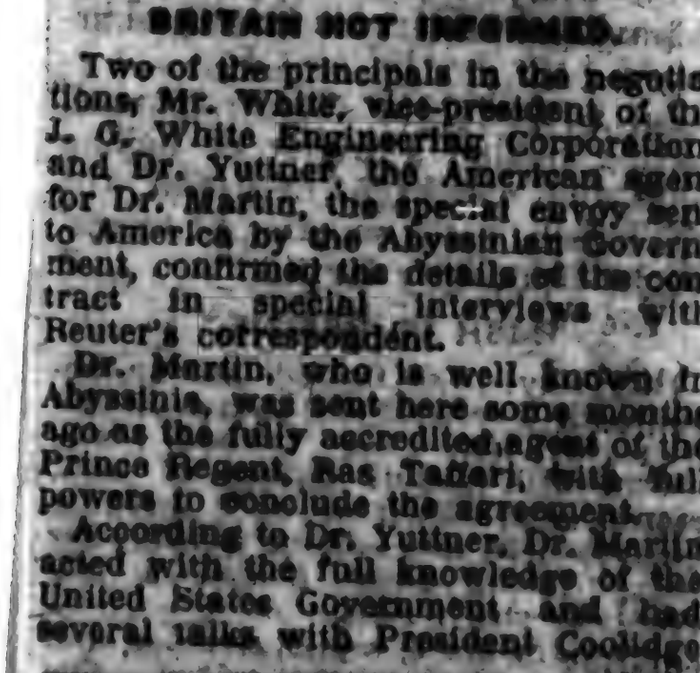
Mr. White intends to build the dam with his own money and to sell the water to the British for irrigation purposes. The Abyssinian Government will receive a royalty on the profits, and, after a period of years, will receive the title to the dam.

BRITAIN NOT INFORMED.

Two of the principals in the negotiations, Mr. White, vice-president of the J. G. White Engineering Corporation, and Dr. Yuttner, the American agent for Dr. Martin, the special envoy sent to America by the Abyssinian Government, confirmed the details of the contract in special interviews with Reuter's correspondent.

Dr. Martin, who is well known in Abyssinia, was sent here some months ago as the fully accredited agent of the Prince Regent, Ras Tafferi, with full powers to conclude the agreement.

According to Dr. Yuttner, Dr. Martin acted with the full knowledge of the United States Government and had several talks with President Coolidge



and Mr. Kellogg, whose formal approval he is stated to have sought before the opening of the negotiations.

Dr. Yuttner assured Reuter's correspondent that the American Government had expressed its full approval throughout. Asked whether the

BY William Lescure DATE July 17, 1962

ments had expressed its full approval throughout. Asked whether the British Government had been advised by the Abyssinian Government of these negotiations, Dr. Hutton replied that, so far as he knew, it had not.

He added that he understood that the Abyssinian Government regarded such negotiations as its own affair and considered that it was at liberty to award such contracts wherever it wished.—Reuter.

It is believed in well-informed circles in London, says Reuter, that under the terms of the Treaty between Great Britain and Abyssinia no such agreement as the above could be made. The question of the construction of a dam has been under discussion between the British and Abyssinian Governments for some time.

BRITAIN AND ITALY.

ABYSSINIA'S PROTEST TO THE LEAGUE.

An agreement between Great Britain and Italy was concluded in 1925 regarding the "construction of compensancy works at Lake Tsana under concession to Great Britain for the regulation of the Nile waters," etc.

Abyssinia, following this agreement, sent a letter to the League of Nations stating that "the Imperial Government retains . . . full and complete freedom to decide as to any requests which may be made to it, and has a perfect right to judge what is in the interest of Abyssinia."

The British Government at the time repudiated suggestions that it had sought to put pressure on Abyssinia in order to secure the right to dam Lake Tsana.

(3)

PAPER DAILY EXPRESS NUMBER

CITY LONDON DATE Nov. 4, 1927.

1 Copy

EGYPT'S WATER IN PERIL.

"DAM TO BE BUILT BY AMERICAN FIRM."

PACT MYSTERY.

A startling concession, it is alleged, is about to be granted by Abyssinia to an American company, which would enable the firm to control the water supplies of Egypt and the Sudan. The "Daily Express" understands that official circles in this country have no information concerning the alleged concession, and that well-informed circles consider that Great Britain's interests are protected by the Anglo - Abyssinian Treaty of 1902.

NEW YORK, Thursday, Nov. 3.

Negotiations, according to the "New York Times," have been practically concluded between the Abyssinian Government and the J. C. White Engineering Corporation of New York to build a dam costing £4,000,000 across the Blue Nile where it emerges from Lake Tsana.

Mr. White intends to build the dam with his own money and to sell the water to the British for irrigation purposes. The Abyssinian Government will, after a period of years, receive the title to the dam.

CONFIRMED.

Two of the principals in the negotiations, Mr. White, Vice-president of the J. C. White Engineering Corporation, and Dr. Yattner, the American agent for Dr. Wargneh Heyliu, the special envoy sent to America by the Abyssinian Government, who has just returned to Africa, confirmed the details of the contracts in the course of special interviews with Reuter's correspondent to-day.

Dr. Yattner states that Dr. Heyliu acted with the full knowledge of the American Government, and had a number of talks with President Coolidge and Mr. Kellogg, whose formal approval he is stated to have sought before the opening of the negotiations.

He also kept them fully informed of the progress of the negotiations and of the final result. Dr. Yattner assured Reuter's correspondent that the American Government had expressed its full approval thereof.

When asked whether the Abyssinian Government had been informed by the American Government of these negotiations, Dr. Yattner replied that so far as he knew it had. He added that he understood that the Abyssinian Government approved such negotiations as he (Dr. Yattner) had considered that it was at liberty to award such contracts wherever it wished.—Reuter.

PAPER THE TIMES

NUMBER (9)

CITY LONDON

DATE Nov 5,1927

BLUE NILE DAM.

THE REPORTED U.S. CONTRACT.

BRITISH TREATY RIGHTS.

In regard to the announcement of the J. G. White Engineering Corporation that it has made arrangements with the Abyssinian Government for the construction of a dam across the Blue Nile, which was reported in *The Times* yesterday, the view is held in official circles in London that the Abyssinian Government itself cannot have accepted any such agreement, nor can it be expected to ratify it, if it has been made in its name by its agent in New York.

Abyssinia is bound by treaty with Great Britain not to permit the construction of works of that description in that region except in agreement with H.M. Government and the Government of the Sudan; and no approaches on the subject have been made in London.

The treaty in question was signed with the Emperor Menelek II. on May 15, 1902, and Article 3 runs as follows:—

H.M. the Emperor Menelek II., King of Kings of Ethiopia, engages himself towards the Government of His Britannic Majesty not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of their waters into the Nile except in agreement with H.B.M.'s Government and the Government of the Sudan.

By the Tripartite Agreement of 1906 France and Italy promised to safeguard the interests of Great Britain and Egypt in the Nile Basin, and by various Conventions with Foreign Powers Great Britain has always sought to ensure the undiminished flow of the waters of the Nile through the Sudan and Egypt.

The Government of the United States, which has hitherto had no diplomatic representative in Addis Ababa, intends to accredit a Minister to the Court of Ethiopia.

AMERICAN VIEWS.

(FROM OUR OWN CORRESPONDENT.)

WASHINGTON, Nov. 4.

Questions were put to the State Department spokesman this morning on the subject of the announcement that a $20,000,000 [£4,000,000] contract has been negotiated between the Ethiopian (Abyssinian) Government and the J. G. White Engineering Corporation, of New York, for the construction of a dam across the Blue Nile near the exit from Lake Tsana. It was intimated that the Secretary of State, Mr. Kellogg, had been informed of the project, and that, in answer to his inquiry as to whether sufficient free labour was available for carrying out the project, he had been told that there was an ample supply.

This assurance, though it is hardly supported by interviews with the Regent, Ras Tafari, published last March in Chicago, and more recently in New York, was accepted. Whether in the event of it appearing that the American corporation intended to use slave labour the State Department had authority to intervene seemed doubtful to the official spokesman, though he added the reminder that authority to express disapproval of American loans to foreign countries was denied by many persons and nevertheless was accepted by parties interested.

An attempt will be made at the coming session of Congress to secure an appropriation for the salary of a United States Minister to Ethiopia, where, in the opinion of the State Department, it is not desirable that American interests should longer be entrusted to the British representative, who acts for a "great trade rival." Even if Congress should deny the request a Minister-Resident and Consul-General will be [illegible] Abeba.

PAPER DAILY TELEGRAPH NUMB (5)

CITY LONDON DATE Nov 5,1937

ABYSSINIAN DAM FOR THE WATERS OF THE NILE.

AN AMERICAN PROJECT.

EXTRAORDINARY REPORT.

FROM OUR DIPLOMATIC CORRESPONDENT.

Reports from New York to the effect that the Abyssinian Government had granted to an American syndicate a concession for the construction of a dam at Lake Tsana caused a good deal of stir in British circles yesterday. Comment, however, was restrained, because of the seriousness of the matter, if correctly stated, and because of the utter lack of authoritative confirmation down to a late hour last evening.

The granting of such a concession would indeed raise delicate and even grave issues, both from the practical and from the Treaty standpoints. The economic position of the Sudan would be critical, if that province could be virtually held up to ransom by the damming of Lake Tsana, and the consequent arrest or curtailment of the flow of its waters into the Nile by a company that could ignore Sudanese and British interests. It was on this account that the following article (III.) was inserted, after protracted exchanges of Notes and views, in the Treaty of May 15, 1902, concluded between Great Britain and Abyssinia:

The Emperor Menelik engages not to construct or to allow to be constructed any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of their waters into the Nile, except in agreement with the Governments of Great Britain and the Sudan.

It will be seen from the above Treaty Article that, before granting to a foreign syndicate other than a British one a concession for the damming of Lake Tsana, the Abyssinian Government would have been bound to consult and obtain the consent thereto of the British Government. But it was stated yesterday in British circles that so far as intimation, or even hint, to this effect had been received from the Abyssinian Government. The general presumption was therefore that the reports lacked any really substantial foundation. This presumption, although neither conclusive nor absolutely convincing, was all the stronger because, since 1902 the matter had been discussed more than once between London and Addis-Abeba. Indeed, the exchange of Notes last year between these two capitals and Rome over the Anglo-Italian agreement of December, 1925, will be recalled to mind in this connection. Abyssinia demurred at first to certain clauses in this agreement, but on receiving emphatic assurances that no encroachments on her sovereignty were intended, dropped her intended protest at Geneva, and showed no inclination to repudiate her earlier obligations.

Nor is this all. For Abyssinia has secured from Great Britain a series of unequivocal pledges relating to the construction of a dam at Lake Tsana by any British syndicate. Such construction would be carried out mainly by Abyssinian labour, and would thus bring money to Abyssinia. A road would be built up to the Sudan under similar labour conditions; and whatever damming works were carried out would not be permitted to restrict the supply to the water-users below Lake Tsana. These are but a few among the many safeguards for Abyssinian interests promised Abyssinia by Great Britain.

Should the latter, however, contrary to all expectation, grant the suggested concessions to an American company, it is a little difficult to see, since America is not a member of the League, how the latter could be involved in practice as a mediator or arbitrator. It is to be hoped that the need of considering so delicate a problem will not arise.

COMPANY'S STATEMENT.

"NO VIOLATION OF TREATY."

BY William Lescure DATE July 14, 1962

DOMESTIC STATEMENTS.

"NO VIOLATION OF TREATY."

NEW YORK, Friday.

Officials of the J. G. White Engineering Corporation emphatically disagree with London despatches to the effect that the Abyssinian concession is regarded there as a violation of the Treaty of 1902.

Mr. Gano Dunn, president, told a correspondent, "We have been assured there is no clause which would prohibit our project. There is a clause whereby Abyssinia grants to Britain the first option of any Government loans. The Lake Tsana dam project, however, does not involve a Government loan; consequently we do not see what possible objection the British Foreign Office can make."

Mr. Dunn added: "Our project, of course, is removed from any political motive. It is purely an engineering matter, as was the port we built in Liberia two years ago for the Firestone people." He said Whites would relinquish claims on the dam when they had received the interest on the estimated investment of $20,000,000 (£4,000,000). The title would then revert to the Government. Probably they would buy considerable equipment from Britain and cement from Italy.

The officials of the corporation disclosed that Dr. Wargner Martin, the special representative in Abyssinia, is now en route for Europe, and arrives at Liverpool aboard the Laconia on Sunday. He carries an agreement for the dam, which he expects the Prince Regent will sign in December, thus permitting work to start in February or March. The corporation estimate that they will require from three to five years. It is understood they are obtaining a copy of the British Treaty for the purpose of definitely clearing up any uncertainty.—*Exchange Telegraph Company.*

(6)

PAPER MORNING POST NUMBER

CITY - LONDON DATE Nov 5, 1927

AMERICA AND THE NILE

Engineering Concern's £4,000,000 Project in Abyssinia

BRITISH TREATY RIGHTS DISREGARDED

Draft Contract Reported to be Ready for Signature

Information is now forthcoming regarding the reported £4,000,000 contract between the Government of Abyssinia and an American concern to build a dam across the Blue Nile. Considerable surprise is felt in this country that such a contract can be considered without exhaustive diplomatic conversations.

Our Washington Correspondent states that the United States Government has been kept fully informed of the American concern's plans, and official approval and encouragement have apparently been forthcoming. The State Department has been informed that there is a possibility of British treaty rights being violated, but it has so far decided not to discuss that phase of the question.

Our Diplomatic Correspondent emphasises the fact that his Majesty's Government relies upon the definite agreement arrived at with Abyssinia in 1902 to protect its vital interests in the waters of the Nile.

ROYALTY FOR SALE OF WATER

From Our Own Correspondent

WASHINGTON, Nov. 4.

Little is known in Washington of the announcement made in New York yesterday of a contract between the Government of Abyssinia and the J. G. White Engineering Corporation of New York to develop the water power of Lake Tsana at a cost of 20,000,000 dollars (£4,000,000).

Details of the contract which, it is understood, also includes large and valuable concessionary rights, are not available in Washington, but according to information from New York the White Corporation will not only build a dam across the Blue Nile near Lake Tsana, but will develop and materially reconstruct the country.

The Corporation proposes to bring immense desert tracts under irrigation and cultivation, paying a royalty on the sale of water to the Abyssinian Government. This will be used for the payment of the salaries of American technical men, teachers, skilled artisans, and other American experts who help in the development of Ethiopia.

Since 1918 the United States has had no diplomatic representative at Addis Abeba (the capital of Abyssinia), but on September a sphere of influence and political control. In other words, America would be simply interested in commercial development, while with other nations money and politics are so closely interwoven that they cannot be separated.

The White Corporation say that work on the building of the dam will begin at once, and that great quantities of American trucks and other American materials will be shipped there. One of the first things to be done will be to send out American doctors to protect the health of Americans and bring about a general improvement of sanitary conditions.

THE AGREEMENT

NEW YORK, Nov. 4.

Officials of the J. G. White Engineering Corporation emphatically disagree with London messages to the effect that the Abyssinian concession is regarded there as a violation of the Treaty of 1902. Mr. G. Dunn, the President of the Corporation, says: "We have been assured there is no clause which would prohibit our project. There is a clause whereby Abyssinia grants to Britain the first option of any Government loans. The Lake Tsana dam project, however, does not involve a Government loan, and consequently we do not see what possible objection the British Foreign Office can make."

Mr. Dunn added that the project was purely an engineering matter [illegible] port construction in Liberia two years ago by the Firestone concern. [illegible]

diplomatic representative at Addis Abeba (the capital of Abyssinia), but on Septem-



The map shows the site of the proposed dam just south of Lake Tsana.

ber 19 last the State Department announced that a Chargé d'Affaires would at once be sent there, and Congress would be asked for an appropriation for the salary of the Minister and the expenses of his establishment. This came after Dr. Warnegh C. Martin, agent for the Abyssinian Government, had seen Mr. Coolidge and Mr. Kellogg and urged them to re-establish diplomatic relations with Abyssinia. These relations were never broken off, but were allowed to lapse during the stress of the war.

OFFICIAL APPROVAL

Dr. Martin, who returned home after the contract was made with the White Corporation, in conjunction with Alfred L. Juttner, of New York, is described as permanent agent of the Abyssinian Government in America, although he is not officially recognised as such by the State Department, and his name does not appear in the latest diplomatic list issued by the State Department. Mr. Juttner is reported in New York as saying that the State Department has been kept fully advised of the negotiations between Dr. Martin and himself and the White Corporation, and has given them its sanction. The Department, however, following its usual practice in commercial matters involving foreign interests, declines to enter into any discussion of the transaction or even admit that it has been consulted.

There is reason to believe, however, that Mr. Juttner's statement is correct and that Mr. Coolidge and Mr. Kellogg have given Mr. Juttner and the White Corporation their approval and even encouragement to carry out the proposed scheme. It has been pointed out to the State Department that this is not a contract in the ordinary sense for the employment of American capital, but that great political consequences are involved because of the possibility of British treaty rights being violated. Nevertheless, the Department will not at this time discuss that phase of the transaction. According to the best information available, there have been no conversations between the Department and the British Embassy on the subject, nor have the views of the Government in London been asked.

POLITICS AND TRADE

It is represented here that Abyssinia is anxious to secure American capital because America is the only nation that can supply the required funds without attaching political conditions which would give America

possible objection the British Foreign Office can make."

Mr. Dunn added that the project was purely an engineering matter as was the fort construction in Liberia two years ago by the Firestone concern. The title in the dam would ultimately revert to the Abyssinian Government.

It was probable, added Mr. Dunn, that much equipment would be bought from Britain and much cement from Italy.

Officials of the White Corporation state that Dr. Martin is now en route for Europe, and will arrive at Liverpool on board the Laconia on Sunday. He carries an agreement for the dam which he expects the Prince Regent to sign in December, thus permitting work to start in February or March.—Exchange.

TREATY BREACH

Abyssinia's Obligations to Great Britain

(BY OUR DIPLOMATIC CORRESPONDENT)

In official quarters in London there is scepticism as to the substance of the report that any concession is about to be granted by the Abyssinian Government for the construction of a Blue Nile Dam.

Ever since the British conversations with the Abyssinian Government regarding the construction of this dam, a certain amount of kite flying has been indulged in by large foreign interests. The statement of the White Corporation is, however, the first definite statement on the subject made by any well-known contractor.

The situation is of particular interest at the present moment in view of the Anglo-Egyptian conversations taking place in London. The waters of the Nile are vital to Egypt and the Soudan, and have always been the special care of Great Britain. These waters are now hedged round by treaties and agreements.

In 1891 Italy undertook by agreement not to construct on the river Atbara any works likely to modify the flow of the Nile. France bound herself in 1899 not to acquire either territory or political influence in the Nile Basin. The Congo Free State in 1906 agreed in no way to interfere with the Nile waters.

NO INTERFERENCE

In 1902 the Emperor Menelik of Abyssinia promised that where any works likely to interfere with the flow of the Blue Nile were concerned preference would be given to "the proposals of His Britannic Majesty's Government and the Government of the Soudan," and further that his Government would not construct or allow to be constructed any such works. Finally, in 1906 France and Italy and Great Britain agreed to safeguard each other's interests in the matter.

In December, 1925, Italy and Great Britain arrived at an agreement to co-operate in any negotiations with Abyssinia regarding Lake Tsana. This agreement called forth a protest from the Regent Ras Taffari, who complained to the League of Nations that his liberty was being interfered with. His protest in no way interfered with or abrogated his country's agreement of 1902, on which the British Government still relies.

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PAPER MANCHESTER GUARDIAN NUMBER

CITY LONDON DATE Nov 5,1937

AMERICANS' CONTRACT TO DAM THE BLUE NILE.

Irrigation of Cotton Fields.

CONCESSION CONTESTED BY BRITAIN.

Treaty Rights with Abyssinia.

(From a Special Correspondent.)

LONDON, FRIDAY.

It is reported from American sources that the Abyssinian Government is on the point of granting a concession to an American firm for the construction of a dam across the Blue Nile at the point where it emerges from Lake Tsana. The same report explains that the American firm will "sell" the water thus collected, which it will be in a position to control, to Egypt and the Sudan. The issue thus raised is important.

The report of an American contract for the construction of a dam across the Blue Nile raises an important issue. Lake Tsana is the fountain-head of the Blue Nile. It coincides with by far the best site for the construction of a reservoir to retain the surplus water of the rainy season and of the floods. That surplus is of vital consequence to the cotton plantations of the Sudan and of Egypt when the Nile waters are low. Unless it is organised at Lake Tsana it escapes pointlessly into the Mediterranean. It is estimated that a dam could easily be constructed at Lake Tsana capable of retaining 3,000,000,000 cubic metres of water a year—more than the contents of the Assouan Dam—ready for release when wanted. Such a dam would be of particular interest to South Lancashire, whose cotton industry is largely dependent on Egyptian and Sudanese cotton.

The Government has received no news either from Abyssinia or from the United States, and its spokesmen are inclined to disbelieve the report for the following reason. Great Britain has for many years taken steps to safeguard the water supply of the Sudan and of Egypt by the conclusion of various agreements with the main Powers concerned. The most important are those concluded with Abyssinia [explained above].

In an exchange of Notes dated March 15, 1902, the Emperor Menelik stated that, in case of interference with the flow of the Nile's tributaries, "preference will be given to the proposals of his Britannic Majesty's Government and the Government of the Sudan," and added that he had no intention of giving any concession affecting the Blue Nile and Lake Tsana except to His Britannic Majesty's Government and the Government of the Sudan, or one of their subjects. On May 15, 1902, a definite treaty was concluded in which the Emperor undertook "not to construct or allow to be constructed any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of their waters into the Nile except in agreement with His Britannic Majesty's Government and the Government of the Sudan." It was there stated that in notes exchanged between the British Minister in Addis Ababa and the Abyssinian Government in 1902—shortly before the treaty was concluded—the Emperor confirmed an oral undertaking given some days previously that there was to be no interference with the waters of the Blue Nile and Lake Tsana except in consultation with the British Government and the Government of the Sudan, and that in the case of any such interference, all other conditions being equal, preference would be given to the proposals of the British and Sudan Governments. "The Emperor Menelik," the statement went on, "has no intention of giving any concession except to the British or Sudan Governments or one of their subjects."

Causes of Uneasiness.

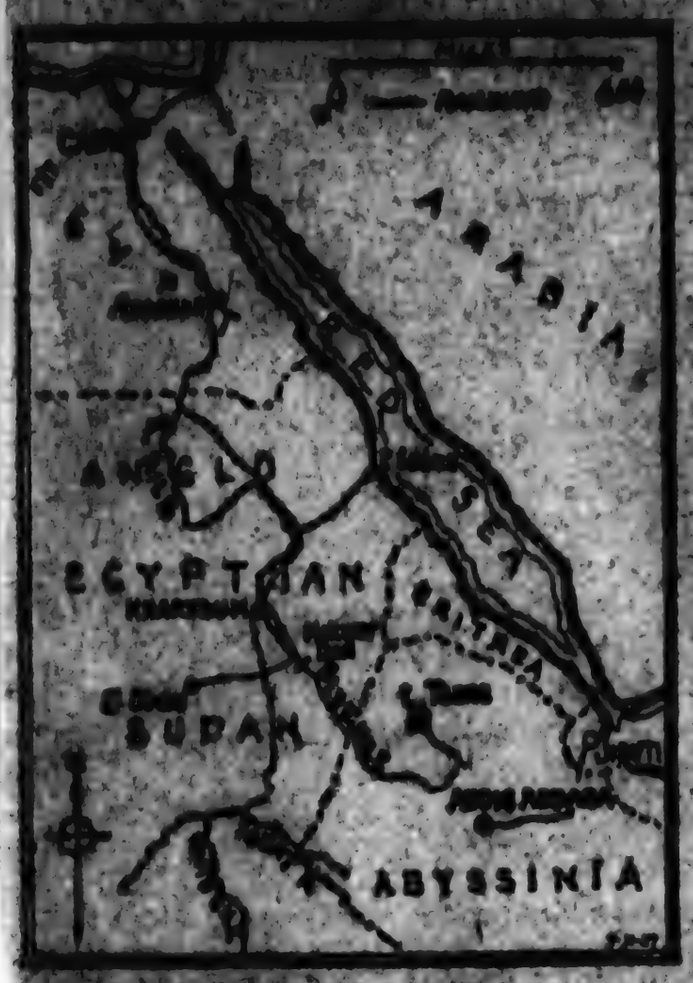
These, apparently, are the texts supporting the confidence of Whitehall that the reported concession need not be taken seriously. This confidence is certainly not shared by unofficial persons who have followed closely the history of the question. It was pointed out to-day that for the past twenty years at least Great Britain has been negotiating with Abyssinia for the control of the waters of the Blue Nile, and that in spite of the treaty they have failed to bring Abyssinia to the point of placing the concession for the dam in British hands.

The matter is obviously of great importance to this country, and especially to Lancashire, for the waters of the Blue Nile are the chief fertilising agency of the cotton fields. It is well known that when the Regent, Ras Taffari, visited England in 1924, during the time of the Labour Government here, great efforts were made to persuade him to concede the British request, but without success. It is also well known that American capital has for some years been anxious to enter Abyssinia.

Slave Labour.

The Abyssinian Regent, in a recent statement to the press, suggested that American capitalists should employ the slaves who, as everyone knows, abound in Abyssinia for the development of coffee, rubber, and copper mining. The slave-owners would be free. The Abyssinian Government has recently had a special envoy in America, who is said to have full powers to conclude the agreement for the building of the dam. If the project were to be

flow of their waters into the Nile, except in agreement with the British Majesty's Government and the Government of the Sudan."



The British view, therefore, is that the Lake Tsana concession has already in principle been given to the British Government. To make that view clear the British Government has now asked the Abyssinian Government, in virtue of the Emperor Menelek's undertakings, to authorise Great Britain to construct and maintain a dam across the waters of the Blue Nile at the outlet from Lake Tsana for the purpose of regulating the flow of water from the lake and to deepen the channel where necessary near the dam. In other words, the British Government has pegged out its claim for the very concession referred to in the reports from America. It is explained that the British Government would be prepared to employ local labour as far as possible, although stipulating that skilled engineers and labourers from the Sudan should be allowed free access if they should be needed.

BRITISH FAILURE FOR 20 YEARS.

(From our London Staff.)

FLEET STREET, FRIDAY.

American reports of negotiations between the Abyssinian Government and the J. G. White Engineering Corporation of New York has caused great interest and some alarm here. It is true that it is the Foreign Office view that these negotiations cannot come to anything, for it would be an obvious breach of the treaty of 1908 to grant a concession to an American firm. In the third clause of that treaty the Emperor Menelik engages himself "not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of their water into the Nile, except in agreement with the British Government or the Government of the Sudan."

In 1924, when the Abyssinian Government brought before the League the alleged infringement of their rights by the arrangement made between Great Britain and Italy, the Note in which the British case was explained made another reference to this undertaking.

labour on the lines previously suggested, some people fear there would certainly be a great outcry. The promise made to the League of Nations in 1923 by the Regent to abolish slavery and forced labour has not been fulfilled, and an ingenious arrangement by which American capital should be allowed to abolish slavery by stopping it for five years could hardly pass unchallenged. Under the Slavery Convention drawn up by the League member States are precluded from using slave labour. To this convention, of course, America is not a party. Abyssinia is a member of the League, and has definitely undertaken to abolish slavery.

If this very serious matter develops it is possible that the authority of the League may be invoked. A dispute between the British Government and Abyssinia about the interpretation of the treaty of 1908 could be brought before the League by our Government. Abyssinia could hardly object to that course after her recent intelligent and successful protest to the League some time ago about the British-Italian agreement, and would probably find it difficult to avoid the strict observance of her obligations.

AMERICAN COMPANY'S VIEW.

No Treaty Prohibition.

(Exchange Telegram.)

NEW YORK, FRIDAY.

Officials of the J. G. White Engineering Corporation emphatically disagree with London dispatches to the effect that the Abyssinian concession is regarded there as a violation of the treaty of 1908. Mr. Gano Dunn, the president, said to a correspondent: "We have been assured that there is no clause prohibiting our project. There is a clause whereby Abyssinia grants to Britain the first option of any Government loans. The Lake Tsana dam project, however, does not involve a Government loan. Consequently we do not see what possible objection the British Foreign Office can make."

Mr. Dunn added: "Our project, of course, is removed from any political motive. It is purely an engineering matter, as was the port we built in Liberia two years ago for the Firestone people." He said that White's would relinquish claims on the dam when they had received the interest of the estimated investment of twenty million dollars. The title would then revert to the Government. He added that probably they would buy considerable equipment from Britain and cement from Italy.

Officials of the J. G. White Corporation disclosed that Dr. Martin, their special representative in Abyssinia, is now on the way to Europe and arrives at Liverpool aboard the Laconia on Sunday. He carries an agreement for the dam, which he expects the Prince Regent will sign in December, thus permitting work to start in February or March. The Corporation estimate that they will require from three to five years. It is understood they are obtaining a copy of the British treaty for the purpose of definitely clearing up any uncertainty.

PAPER MANCHESTER GUARDIAN NUMBER

CITY LONDON DATE Nov 5,1937

The Abyssinian Dam.

Pure scepticism was the attitude of high diplomatic quarters here towards the report that an American firm had got the contract from the Abyssinian Government to construct a dam at the outlet from Lake Tsana into the Blue Nile. Nothing had been heard from Addis Ababa or from America either. The ground of disbelief, apart from the absence of news, was that it would be a violation of our 1902 treaty with Abyssinia. The terms of that treaty are perfectly explicit that no such works shall be constructed except in agreement with the British Government or the Government of the Sudan. The 1902 treaty is between Abyssinia and Great Britain.

To judge by some messages from America representatives of the supposed contracting firm have been talking about the treaty between Great Britain, France, and Italy. This was a much later treaty, dated December, 1906. By it France and Italy agreed in effect to do nothing. It is not regarded here as relevant to this alleged contract at all. The Foreign Office will take its stand upon the direct treaty between Great Britain and Abyssinia of May, 1902.

The British Scheme.

For years negotiations have been going on with Abyssinia for powers to construct a dam, but Abyssinia has always been very reluctant and the British Government have never pressed the matter hard. Nevertheless, they have made every sort of proposal that could reconcile the Abyssinian Government to the project. They have promised not to raise the level of Lake Tsana above its high-water level, to employ Abyssinian labour as far as possible, and not to abridge in any particular the water rights of Abyssinian water-users.

The British scheme would provide for the storage at the Lake Tsana and Blue Nile dam of a larger quantity of water in the lake than is now stored by the Aswan dam, and it has been proposed to regulate this supply according to the seasonal demands of the cultivators. Incidentally, the British Government undertook to construct a road from the Sudan to Abyssinia, but this offer did not seem very welcome to the Abyssinian Government. The Abyssinians are very jealous of their independence, and they are suspicious, and of course the proposal would not be pressed.

Dr. Wargneh Martin, who is reported to have been handling the negotiations for this American contract, is himself an Abyssinian, in spite of his English surname, and is a well-known agent of the Abyssinian Government.

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8 Nov 1937 Times, 12 Nov 1937 Times

PAPER DAILY CHRONICLE NUMBER (9)

LONDON Nov 5,1927

STRANGLEHOLD ON NILE WATERS.

Americans Still Claim Right to Build Abyssinian Dam.

FRANCE AND ITALY CONCERNED.

New York's surprise announcement (given in yesterday's "Daily Chronicle") of an American claim to a concession or contract to build a 20,000,000-dollar dam at Lake Tsana, in Abyssinia, the head-water of the Blue Nile, has roused concern in more countries than one.

Such a dam would give its owners power over the Blue Nile waters of the Anglo-Egyptian Sudan, including the supply to the £12,500,000 British dam above Khartum opened last year. Such interpation of the upper waters would be contrary to river law and to the Treaties.

Nevertheless, the American enterprise is still described as going swiftly ahead; though British officials are certain that Abyssinia's ruler cannot, as has been pretended, have signed any concession.

France and Italy are concerned with public works in Abyssinia, as well as Britain

IN DEFIANCE OF NILE TREATY RIGHTS.

It is Realised in America that Britain Will "Have a Say."

From "The Daily Chronicle" Special Correspondent.

NEW YORK, Friday.

TO-DAY discussion has begun in the American Press as to what attitude Italy and France—both of which nations have interests in Abyssinia (Ethiopia)—will adopt towards the concession said to have been given by the Prince Regent of Ethiopia to the J. G. White Engineering Company, of New York, to carry out the Lake Tsana irrigation project at a cost of £4,000,000 (as reported in "The Daily Chronicle").

That Great Britain will have a considerable say about it is, of course, not doubted; for Britain has a claim to the right to irrigate vast expanses of the Anglo-Egyptian Sudan with the Blue Nile waters flowing out of Lake Tsana and through Abyssinia to the Sudan.

Italy claims a concession to construct a railway through Abyssinia so as to connect her possessions in Eritrea (the Italian Red Sea colony) with Italian Somaliland on the Indian Ocean.

France at present controls the only railway in Abyssinia.

It is declared to-day that the contract announced to have been made with the J. G. White concern is in violation of British Treaty rights.

A CALL ON MR. COOLIDGE.

This Tsana Dam contract is understood to have been entered into by the agent, Dr. Martin, who last month called on President Coolidge and pleaded for the re-establishment of



Abyssinia is an inland country, bounded on all its frontiers by British, Anglo-Egyptian, Italian and French dominions.

LAW OF WATER CONTROL FIXED BY PACTS.

British Authorities' Trust in "Abyssinian Treaty" Faith.

From Our Diplomatic Correspondent.

The British Foreign Office is not disposed to take too seriously the report of an American firm's contract to build a dam on Lake Tsana, Abyssinia.

It is considered highly improbable that Ras Tafari, Prince Regent of Abyssinia, has entered into any such contract.

No request has been made to the Sudanese Government or the British Government to consent to any such undertaking—which consent is necessary according to long-established Treaty rights.

Egypt and the Sudan depend for their

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violation of British Treaty rights.

A CALL ON MR. COOLIDGE.

This Tsana Dam contract is understood to have been entered into by the agent, Dr. Martin, who last month called on President Coolidge and pleaded for the re-establishment of diplomatic relations (which have for about 10 years been discontinued under stress of the war and its sequels).

A promise was made to Dr. Martin that an American Chargé d'Affaires would be sent to the Abyssinian capital, Addis Ababa, pending the sanction by Congress of the appointment of a Minister.

Heretofore, for all practical purposes, American diplomatic and commercial affairs in Addis Ababa have been looked after by the British Minister in Abyssinia, the nearest American official being the U.S. Consul in Aden.

It is stated that the J. G. White Company plans to begin without delay the work of damming the outlet of Lake Tsana, which is the source of the Blue Nile.

PRINCE'S DEVELOPMENT PLAN.

By the terms of the contract (it is stated) the concessionnaires or owners of the Tsana Dam can sell the impounded waters to the British Government, or develop them for water power as they see fit.

To-day's announcement repeats that the Abyssinian Government is to receive a royalty on all the water used;

THE DAM—SECOND THOUGHTS.

A late Exchange cable from New York says the J. G. White Company estimates that the dam construction will take three to five years. But, meanwhile, they are obtaining a copy of the British Treaty, so as to clear up any uncertainty.

and after a period of years the dam will revert to the Government of Abyssinia.

Ras Tafari, the Prince Regent and future Emperor of Abyssinia, has—it is declared here—invited American doctors, engineers and business men to Abyssinia to help in the work of modernising the country.

The Prince hopes to accomplish these ideals, in part, with the revenues resulting from the Tsana Dam enterprise.



The crown, florin and sixpence of the n coinage, enlarged to show the details, illustrated. They will not be issued until January, but earlier specimens c tained by purchasing a set, worth 11s. 1 Mint for 15s. The designs are the wor George Kruger Gray, the heraldic

existence on the waters of the Nile. This salient fact has guided British policy for a generation.

By various Treaties, Italy, France, the Congo and Abyssinia have undertaken to construct no works which will diminish the volume of Nile water.

In 1902 Menelik, the then Emperor of Abyssinia, signed a Treaty promising "not to construct or allow to be constructed any work across the Blue Nile, Lake Tsana or the Sobat which would arrest the flow of their waters into the Nile, except in agreement with his Britannic Majesty's Government and the Government of the Sudan."

As late as 1906 France and Italy promised to safeguard the interests of Great Britain and Egypt in the Nile basin, more especially as regards the regulation of the waters of that river and its tributaries.

Lake Tsana, at the head of the Blue Nile, has long been considered a suitable reservoir for flood water which might be released to supplement the flow of the Nile when that river is at its lowest.

Quite recently the British Government has asked the Abyssinian Government for authority to construct a dam at the outlet of Lake Tsana. The dam would store more water than the Assouan Dam.

The interests of Abyssinia would in no way be jeopardised.

On the contrary such an undertaking would provide employment and profit for the Abyssinian Government.

The track from the Sudan frontier to the lake would have to be improved, and a rental would be paid during the period of construction.

CUTE BUSINESS.

It seems probable that Dr. Martin (the agent for the American company), hearing of the proposal, has endeavoured to get the contract for his company.

But there is no evidence that Ras Tafari has signed the contract, which in any case would be contrary to Treaties, and completely void.

DAM BUILDERS MAY BUY FROM BRITAIN.

American Firm's View of the Treaty Prohibitions.

NEW YORK, Friday.

Officials of the J. G. White Engineering Corporation disagree with London arguments that the Abyssinian Concession is a violation of treaty.

Mr. Gano Dunn, president, told a correspondent: "We have been assured there is no clause which would prohibit our project. There is a clause whereby Abyssinia grants to Britain the first option of any Government loans.

"The Lake Tsana dam project, however, does not involve a Government loan. We do not see what possible objection the British Foreign Office can make.

"Our project, of course, is removed from any political motive.

"Probably we shall buy considerable equipment from Britain, and cement from Italy."—Ex. Tel. Co.

PAPER DAILY CHRONICLE NUMBER

CITY LONDON DATE Nov 5,1927

(10)

The Tsana Dam.

The American firm which claims to have secured an Abyssinian concession for damming the Blue Nile admits apparently that the Prince Regent has not yet signed it. We cannot believe that he ever will, in view of the express terms of our Treaty with Abyssinia.

The incident, however, may serve to remind the Egyptians of several things. Firstly, how extremely vulnerable their country is on that side. Secondly, what pains Great Britain has been at to safeguard them by a network of treaties. And thirdly, how valuable it is for them to have a Power of Great Britain's standing actively concerned to get the [illegible]

PAPER DAILY NEWS NUMBER (11)

CITY LONDON DATE Nov 5,1937

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BLUE NILE WATERS.

MYSTERY OF U.S CONTRACT.

OUR AGREEMENT WITH ITALY.

THE 1902 PLEDGE.

By Our Foreign Affairs Observer.

THE announcement in which prominence was given in the "Daily News" yesterday, that negotiations had been practically concluded between a great American engineering corporation and the Abyssinian Government to build the dam across the Blue Nile at Lake Tsana, is capable of giving rise to serious diplomatic misunderstanding.

It caused surprise in official circles in London yesterday and was thought to go a good deal beyond the facts. It is strongly held that the Abyssinian Government has been for many years under pledges which would make impossible the placing of any such contract in America, or in any country other than Great Britain.

Emperor's promise.

As long ago as 1902, Mr Rotes exchanged in his own capital of Addis Ababa the Emperor Menelik confirmed an undertaking previously given by word of mouth, that there should be no interference with the waters of the Blue Nile and Lake Tsana except in consultation with the British Government and the Government of the Sudan.

It was added that in case of any such interference all other conditions being equal preference would be given to British proposals, and that the Emperor had no intention of giving any concession to carry out the work except to the British Government, or to British subjects. Nothing that has happened since is taken to affect the terms of this undertaking or to impair the claims of the British Government based on a document bearing the seal of the Emperor.

ITALO-BRITISH AGREEMENT.

The position between this country and Abyssinia will be best seen in the light of the negotiations which led toward the agreement in regard to Lake Tsana concluded between Great Britain and Italy in 1925.

In effect, this agreement provided by mutual [illegible] between the two Powers in pursuance [illegible] Abyssinia [illegible] Great Britain [illegible] above possibilities of diversion [illegible] subject of the Lake Tsana dam and [illegible] would build a railway and to establish her economic influence [illegible] the region to be reserved by [illegible]

HAILE TAFFARI'S SUSPICIONS.

Communication of the agreement [illegible] was not made to the Abyssinian [illegible]



"makes it clear that your intention is to exert pressure."

He announced his intention to bring the matter before the League of Nations, and, at the same time, addressed a protest to all States members of the League.

ABYSSINIA AND THE LEAGUE.

In this latter document, referring to the admission of Abyssinia to the League, he complained that she had been told that all nations were equal within that body, that their independence was to be universally respected, "since the purpose of the League is to establish and maintain peace among men in accordance with the will of God," and that the Anglo-Italian agreement was not compatible with that independence.

Speaking in the House of Commons in August last year Sir Austen Chamberlain declared that the agreement implied no attack on the independence of Abyssinia and no limitation of the right of its Government to decide whether or not to grant the concession to Great Britain for the building of the dam. Adequate assurances had been given at Addis Ababa to that effect. He, at the same time, referred to the agreement of 1902 as indicating the innocence of the British Government of any desire to exert pressure or act with precipitancy.

COMPLETE FREEDOM.

Lieut.-Commander Kenworthy later in the debate expressed the fear that as long as this country was bound by the Italian agreement Abyssinia would not grant concessions.

In a Note to the Secretary-General of the League of Nations in October, 1926, Ras Taffari asked that his correspondence with the League should be registered and published so that the world might know that his Government retained complete freedom to decide as to any requests which may be made to it, "and has a perfect right to judge what is in the interest of Abyssinia."

Should the New York report of the negotiations, said to be almost concluded, prove to be correct, it will no doubt be found that they have been entered into on the Abyssinian side in the exercise of the right thus claimed. There is no mention in Ras Taffari's communication of the pledge given in 1902 not to give the Tsana Dam Concession, of such importance to the future prosperity of Egypt and the Sudan, elsewhere than to Great Britain or British subjects. H. W. S.

GREVILLE DIARY.

AMERICAN TRIBUTES TO THE EDITOR.

From Our Own Correspondent.

New York, Friday.

Newspaper stories here of the sensation caused in London by the Greville Memoirs are stimulating the sales of the book, which has been a best seller since it was published a few weeks ago.

Two years ago the American publishers, Doubleday Page, submitted to Mr. P. W. Wilson a copy of the complete diary as Greville left it, amounting to nearly [illegible] words. Helped by a staff of secretaries, Mr. Wilson compared this with the previous expurgated publication, and then proceeded to make a new condensation of the whole.

Friends of Mr. Wilson know of the laborious care he has been giving to the work. Phrases written by Greville are quoted and generally dated.

Mr. Wilson's view is that Greville's story of Victoria's accession is a new tribute to her great qualities. He believes it throws into clear relief her dignity, decision of character and splendid instinct of what is due to her high position.

"Far from depreciating her, the Diary shows the [illegible] service rendered to the throne by her courage and

PAPER DAILY TELEGRAPH NUMBER (19)

CITY LONDON DATE Nov 7,1937

EGYPT'S INTERESTS AND TSANA DAM SCHEME.

PERTURBATION IN CAIRO.

SPECIAL CABINET HELD.

FROM OUR OWN CORRESPONDENT,

CAIRO, Sunday.

Inquiries in Egyptian Government circles have thrown no light on the reported intention of the Abyssinian Government to grant to an American firm a concession for the construction of a barrage at Lake Tsana. The Minister of Public Works declined to make any statement to the Press, but the Minister for Foreign Affairs admitted that he had not received any information from the Egyptian Minister at Washington. The Acting Prime



Minister stated that the Egyptian Government had taken no steps, but expected that Sarwat Pasha would do what was necessary in London.

In fact, the report has apparently taken both the Egyptian Government and the public completely by surprise. The Egyptian Press is expressing the general uneasiness in articles embodying warnings to the effect that vital interests are threatened since the control of the Upper Nile has ever been regarded as an essential safeguard of the national existence. The Press severely criticises the Government for having neglected to develop friendly political and religious relations with Abyssinia.

CAIRO, Sunday (Later).

This evening the Egyptian Government issued a communiqué to the effect that a special meeting of the Cabinet was held this morning in connection with the Tsana barrage question. The Minister of Public Works gave a detailed explanation of the situation so far as Egypt was affected. It was thereupon decided to telegraph to Sarwat Pasha material upon which he could base a statement as to Egypt's position, at the same time informing him of the painful impression created by the reported intention of the Abyssinian Government.

The Cabinet further gave instructions to the Egyptian Minister at Washington, and requested him to furnish the fullest details immediately.

Mustafa Nahas Pasha, interviewed by *El Balagh*, stated that the issue was an exceedingly grave one for the Egyptian nation, who were surprised at such action on the part of the Abyssinian Government, with whom Egypt had always maintained the most friendly relations. Nevertheless, Egypt could not stand calmly aside and watch the control of the Nile water pass into foreign hands.

OUR TREATY RIGHTS.

SERIOUS ISSUE INVOLVED.

FROM OUR DIPLOMATIC CORRESPONDENT.

There seems no longer any reason to doubt the accuracy of the reports from the United

There seems no longer any reason to doubt the accuracy of the reports from the United States that the J. G. White Engineering Corporation of New York has worked out with a representative of Abyssinia, Dr. Martin, a draft agreement for the building by that corporation of a dam across the Blue Nile, at the point where the latter emerges from Lake Tsana. The officials of the American company declare that they are not concerned with the political aspect of the contract. This may be true enough, since they had not even taken the trouble, at the time the deal was concluded, to look up Abyssinia's obligations to the British and Sudanese Governments under the Anglo-Abyssinian Treaty of 1902. Indeed, as late as Friday of last week, they were under the mistaken impression that Great Britain had no case for intervention unless an American Government loan to Abyssinia were part of the project for the dam; whereas Article 3 of the 1902 Treaty confers upon the British and Sudanese Governments a right of intervention independently of any such condition.

But, if private American syndicates are not bound to consider Abyssinia's existing international engagements, the Abyssinian Government cannot properly or safely ignore them, the more so as they have been as it were definitively confirmed by the specific recognition of British rights under this head accorded by no fewer than three foreign Governments, notably those of France, Italy, and the Belgian Congo, all member States of the League, like Abyssinia herself.

It is suggested that the Abyssinian Government may explain its omissions to inform the British and Sudanese Governments of the proposed contract with the American syndicate by the assertion that the dam contemplated would not arrest the flow of the Blue Nile and Tsana waters into the Nile, but such an assertion would be extremely difficult to comprehend. At any rate, whether the contract has been actually signed or merely initialled, it will still require formal ratification by the Abyssinian Government, and the latter, before such ratification, will have to consider its previous international engagements. In the meantime, inquiries will no doubt be initiated by the British Government in the first instance, to be followed, if necessary, by diplomatic representations. It is to be hoped that the need for the latter will not arise, or the issue might easily become a serious one, being closely bound up with the economic prosperity and security of the Sudan.

"ADVANTAGES" FOR BRITAIN.

COMPANY'S CLAIM.

FROM OUR OWN CORRESPONDENT.

NEW YORK, Sunday.

The State Department officials at Washington disclaim any knowledge of an international difference over the plan of the J. G. White Corporation to build a dam at Lake Tsana, Abyssinia, to harness the headwaters of the Nile. It was admitted that the Department knew the Abyssinian Government was negotiating with American engineers, but it had no knowledge as to whether the contract had been signed. The New York officials of the J. G. White Company are quoted to-day as declaring that they are prepared to go ahead with the work, and expect no diplomatic difficulties, despite reports of objections from the British Foreign Office.

Dr. Wargneh Martin, the Abyssinian envoy who is credited with negotiating the contract, is a passenger in the Cunard liner Laconia, due at Liverpool to-morrow, and according to the J. G. White Company officials, he will go direct to London to take up the matter with the British Government. The spokesman of the White Company here stated that Dr. Martin hopes to convince Great Britain that the proposed development would benefit British interests, and that he expects to win over the Government to the extent of being able to issue obligations bearing the guarantee of Great Britain.

"We think," said the official, "that the British Foreign Office will be persuaded of the desirability of withdrawing its opposition. The British stand to gain more from the plan than does the Government of Abyssinia. It is our purpose to make the British our customers for the purchase of water-power, and the plan is a happy one for all concerned."

PAPER MORNING POST NUMBER (13)

CITY LONDON DATE Nov. 7, 1927.

BLUE NILE DAM

Britain Holds the Whip Hand

NATURAL FACTORS

Why America Cannot Dictate to Us

By a Special Correspondent

Whether or no Messrs. J. G. White and Co., of New York, get their concession to build a dam south of Lake Tsana, in Abyssinia, there is little doubt that the concession is not the slightest use to anybody who is not working in collaboration with the British. In the first place, in order to obtain the material for building the dam, it is necessary to construct a motor road or a railway, and the only possible route for either is through the Soudan.

The Blue Nile on debouching from Lake Tsana runs in a deep, narrow gorge, certainly not less than 2,000 feet deep, for something like two-thirds of its journey across Abyssinia, the remaining one-third being through swamps and marshes. In neither section is there the slightest prospect of using the water for irrigation, while the available land between Lake Tsana and the mountains which surround it consist merely of a few acres of papyrus swamp which are under water during the flood season of the year—and will be for most of the rest of the year as well if and when the dam ever materialises. Egypt and the Soudan, in fact, are the only places in which the water can be used.

Moreover, the essence of the Tsana scheme is to hold up some of the surplus water which flows out of the lake in the sunny months (when far more water owing to the rains flows towards Khartoum than is needed for irrigation purposes), and to release it in the other seasons when it would be very useful for quenching the thirst of the parched lands lower down the stream in Egypt and the Soudan.

NO COMPULSION

At present, except in the summer, comparatively little water actually from Lake Tsana flows down to the lower reaches of the Nile. It would seem extremely probable, therefore, unless calculations are very much astray, that Egypt and the Soudan could keep their fingers at anyone who built a dam without their consent and tried to impose their own terms for the sale of its water. The water which the dam would hold up would otherwise have flowed down the river into the sea when the prospective users did not want it, and the fact that it did not come when they needed it would merely leave matters very much where they are to-day. In other words,

[illegible] fact that it did not [illegible] it would merely leave matters [illegible] where they are to-day. In other words, while the damming of Tsana could be of very great assistance to Egypt and the Soudan [illegible] it could not do them very much harm.

It is, perhaps, not generally known that a party of British engineers from Cairo made a detailed survey of [illegible] Tsana for the Egyptian Government [illegible] with a view to its conversion into a storage reservoir. They found that at the place where the Blue Nile debouches from the lake there are two islands which almost form a natural dam. All that would be necessary, their report declared, would be to connect these islands with a regulator, and to build a couple of comparatively short walls of masonry to prevent the water escaping between the islands and the mainland. This they estimated should cost about £1,400,000, to which must be added the cost of a motor road—say, another £1,000,000—or a railway—say, £2,500,000.

TAKING A SHARE

White Corporation's Possible Plan

(From Our Own Correspondent)

WASHINGTON, Nov. 6.

While the J. G. White Engineering Corporation of New York announces that it is ready almost immediately to begin construction of the dam near Lake Tsana to carry out the contract made with Dr. Martin as the accredited agent of the Abyssinian Government, the belief exists in well-informed quarters, although without [illegible] knowledge, that the White Company does not hold the legal contract. A merely tentative arrangement, it is believed, was made between Dr. Martin and the White Corporation, which does not become binding until formally ratified by the Abyssinian Government.

According to any information derived from good sources, the situation at the present time is substantially as follows: The Abyssinian Government either on its own initiative or through persuasion considered it advantageous to enlist American co-operation in the enterprise because of bringing a new element into the affairs of the country. Furthermore, it was considered that it would be a purely commercial transaction without political considerations. The Abyssinian Government could not close its eyes to its treaty obligations with this country, but it could use the willingness of the American company to build a dam to obtain not only better terms from English contractors, but possibly a *quid pro quo* in the shape of political concessions.

It is presumed here that the White Corporation knows of the existence of this treaty, but it is conjectured that the company hopes to be allowed to share in the work with English contractors by furnishing part of the capital and American materials.

A DENIAL

(By Our Diplomatic Correspondent)

It is still maintained in well-informed circles in London that the statements from New York to the effect that the supposed concession for the dam across Lake Tsana has been granted with the knowledge of the British Government is incorrect.

The construction of this dam could not be possibly undertaken at the estimated cost without the permission to transport material through the Soudan. Quite apart from Treaty Rights, the British Government is therefore a factor of great importance.

PAPER DAILY MAIL NUMBER (14)

CITY LONDON DATE Nov 7,1927

EGYPT ALARMED.

CABINET'S MESSAGE TO LONDON.

THE U.S. BLUE NILE DAM SCHEME.

FROM OUR OWN CORRESPONDENT.

CAIRO, Sunday.

The Egyptian Cabinet held a meeting to-day to discuss the reported American plan to contract with Abyssinia for the building of a dam across the Blue Nile at Lake Tsana, and later a cablegram was sent to Sarwat Pasha, the Prime Minister, who is in London, embodying the views of the Cabinet and emphasising the deep effect the announcement had on public opinion.

Another telegram was sent to the Egyptian Minister at Washington asking for further particulars.

I understand that before the publication of the news in New York the Egyptian authorities had no knowledge of the scheme.

Nahas Pasha, leader of the Wafd (the Egyptian Nationalist organisation), stated that he regarded the news as grave. The construction of a dam at the outlet of the lake without Egyptian control would endanger the very life of Egypt, and Egypt could not and would not stand by while such a scheme was carried out.

TREATY RIGHTS.

ABYSSINIAN RULER'S COMPACT WITH BRITAIN.

The news was published in the American papers on Friday that negotiations had been practically concluded between the Abyssinian Government and the J. S. White Engineering Corporation of New York for the building of a dam across the Blue Nile, where it emerges from Lake Tsana, which is in Abyssinia.

The Emperor Menelik of Abyssinia promised by a treaty of 1902 not to construct or allow to be constructed any work across the Blue Nile or Lake Tsana except in agreement with the British and Sudanese Governments. This treaty is still in force, and it is certain that the British Government would regard seriously any attempt to override it.

EFFECT ON SUDAN.

Such a project as the one reported would make the Americans virtual owners of the Blue Nile, and enable them to ration Egypt's water supply and control the irrigation of the Sudan, with its great cotton-growing developments. Mr. White, state the American reports, intends to build this great dam with his own money and sell the stored-up waters of Lake Tsana.

Mr. F. Eckstein, chairman of the Sudan Plantations Syndicate, Ltd., which cultivates the 400,000 acres of the Sudan at present available, said to a *Daily Mail* reporter yesterday:

As soon as I read the news I got into touch with the Sudan Government, but they were as astonished as I was about the matter. We are able to irrigate the amount of land which is at present under cultivation from the natural flow of the river, but there are nearly 3,000,000 acres which cannot be cultivated until such a dam is built to conserve the flood waters which now run to waste.

The news that an American firm has been given permission by the Abyssinian Government to build such a dam has come as a bombshell.

Personally, however, I am not worrying, for I cannot think that America would countenance such an unfriendly act as the violation of the treaties we have.

British dam-building experts regard the price mentioned by the Americans—£4,000,000—as out of all proportion to the cost of such a scheme. It should not cost more than £500,000 or £1,000,000 at the most.

PAPER DAILY NEWS

NUMBER (14)

CITY LONDON

DATE Nov 7,1937

THE DAM ON THE NILE

There is a certain audacity in the form in which an American firm has announced a contract with the Abyssinian Government to construct a dam at the outlet from Lake Tsana into the Blue Nile in order to hold water for irrigation purposes by the British and Egyptian Governments; and we are not altogether surprised that the British Government refuses to credit the contractors' claim that the scheme has been approved officially by the Government of the United States. It is hardly credible that this should be the case, seeing that it must be well within the knowledge of the American authorities that any such scheme would be a direct violation of our treaty with Abyssinia in 1902 which made it clear beyond dispute that no such works could be constructed except by agreement with the British Government. The Abyssinians have resisted for years the British proposal to build a dam, partly on the ground of their dislike of any plan which seemed to threaten their independence; and the action of their agent, Dr. Warqneh Martin, himself an Abyssinian, in giving this contract to America rather suggests that they are willing to run that risk after all, for the sake of administering a rebuff to British pretensions.

But Dr. Martin is an optimist if he assumes that in a question which so vitally affects British and Egyptian interests the British—or for that matter the Egyptian—Government will thus quietly cede plain Treaty rights and submit to the foreign control of a vast scheme to irrigate the lands of Egypt. Whether or not Mr. Coolidge has bestowed his blessing upon the scheme, the issue does not rest with Mr. Coolidge; it is an issue between Abyssinia and Great Britain, two member States of the League, and one which, if necessary, the League is fully competent to decide on definite evidence, though a voluntary settlement between the two Governments is much to be preferred. The episode is a disturbing one, for it involves just the kind of question that might create ill-feeling between this country and others. It seems to us desirable, therefore, if such difficulties as may be caused by quarrels over these important water rights are to be avoided in future, that the League should appoint a Consultancy Board, with an independent chairman, to hold the balance equal between rival interests, and to prevent the improper exploitation of the natural resources of the country. The suggestion is one that Mr. Ronald McNeill, in his new-found zeal for [illegible]

PAPER DAILY NEWS

NUMBER (15)

CITY LONDON

DATE Nov 7,1937

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NILE DAM SCHEME.

AMERICAN FIRM'S CONTRACT.

TREATY RIGHTS.

THE POSITION OF BRITAIN.

Two questions of international importance are occupying the attention of the Government as the two of the commons and Parliament, and were the subject of a [illegible] of discussion among the well-informed [illegible] yesterday.

(1) The extent of British Treaty rights of Sudan water is concerned in connection with the proposal to construct a dam on the Blue Nile at Sennar for the irrigation of a large area of the Blue Nile [illegible]

(2) The political relations of the country with Egypt.

Sidqi Pasha, the Egyptian Prime Minister, who is now in London with [illegible] conversations with Mr. Anthony Eden, Foreign Secretary, has proposed the Egyptian case will be [illegible]

BRITAIN'S CASE.

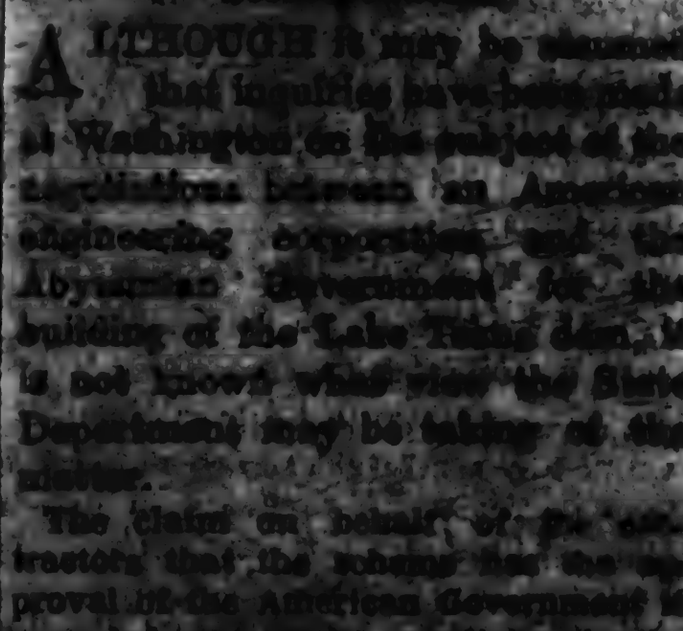
LEAGUE OF NATIONS CONVENTION.

By Our Foreign Staff Correspondent.

ALTHOUGH it may be assumed that inquiries have been made at Washington on the subject of the negotiations between an American engineering corporation and the Abyssinian Government for the building of the Lake Tsana dam, it is not known what view the State Department may be taking of the matter.

The claim on behalf of the contractors that the scheme has the approval of the American Government is regarded with entire scepticism in the meantime in Whitehall.

It has already been shown in the Daily News that British treaty rights make the execution of such a scheme independently of this country as well



of the question [illegible] Government having [illegible] stated that the consent for [illegible] should be given [illegible] Great Britain or to [illegible]



NOT POLITICAL

THE ATTITUDE OF

CONTRACTORS.

he did not know whether a contract had been signed or not.—Reuter.

EGYPT'S INTERESTS.

IN HANDS OF PREMIER IN LONDON.

From Our Own Correspondent.

CAIRO, Sunday.

That danger threatens Egyptian interests is the keynote of the newspaper comments on the reported concession to an American company.

The Egyptian Government is blamed for not strengthening relations with Abyssinia on the basis of religious relationship and common political interests.

Egyptian Government circles are unable to give any information. The whole matter is being left to the Egyptian Prime Minister, Sarwat Pasha, in London.

ENGLISH TYPIST'S SUCCESS.

IN COMPETITION OF SEVEN NATIONS.

From Our Own Correspondent.

PARIS, Sunday.

Miss Eleanor Mitchell, the British girl typist who holds the speed record for typing, carried all before her at an international competition here this afternoon.

She won the silver cup offered for the best performance after a desperate struggle against the German champion, also a woman. Competitors from Russia, Czecho-Slovakia, Belgium, Holland, France, Germany, and Great Britain took part in the competition.

AIRSHIP SERVICE SCHEME.

BRITISH SEMI-RIGID PASSENGER LINERS.

By Our Air Correspondent.

A scheme for commercial air services, worked by semi-rigid airships of a new type over routes varying in length from 500 to 1,500 miles, has been evolved by a group of British experts.

Work is now proceeding on the detailed drawings of the new ships, new type portable mooring masts and plant for handling the vessels on the ground, all to the designs of Mr. V. Graham Wood, a member of the group. They hope to complete the first airship by May or June next year.

Mr. Graham Wood claims that it is possible to build an airship according to his ideas which would not cost more than £25,000. The vessel would be lifted by 1,000,000 cubic feet of gas, and is designed to carry 30 passengers and five tons of luggage for 500 miles at a cruising speed of 50 miles an hour, and a top speed of 70 miles.

Should this claim be justified by facts the new [illegible] ships will compare favourably with the large three-engined air liners used on the Continental routes by Imperial Airways, which carry 18 passengers and luggage, and are sold for £22,500.

The designer claims further that the maintenance of the services would not be high, and that low running costs would make it possible to charge reasonable [illegible]

E. C. P.

COBHAM'S FLIGHT.

PLANS FOR 20,000 MILE TOUR.

By Our Air Correspondent.

COBHAM'S FLIGHT.

PLANS FOR 20,000 MILE TOUR.

By Our Air Correspondent.

The large all-metal flying boat in which Sir Alan Cobham (accompanied by an assistant pilot, two engineers, and a kinematographer) is to begin on or about Nov. 17 a flight of nearly 20,000 miles to Africa and back, will be inspected by an official party this morning at the works of the manufacturers, Messrs. Short Brothers, at Rochester, Kent.

The machine is driven by two 700 h.p. Rolls-Royce engines, and has been specially equipped for the long tropical journey. Fully loaded, it weighs nearly ten tons.

The itinerary of the flight includes halts at the following places:

Bordeaux, Marseilles, Malta, Sollum (North Africa), Aboukir, Luxor, Khartoum, Kisumu, Beira, Lourenco Marques, Durban, Capetown, Walfish Bay, Boma, Lagos, Freetown, Bathurst, Las Palmas (Canary Islands), Gibraltar, Barcelona, Plymouth.

The flight will end on the Thames in London.

The flight has been planned as a survey voyage for projected permanent air routes in Africa. E. C. B.

DIED AT 40,000 FEET.

SPARTA (Tennessee), Saturday.—Captain Hawthorne Gray, who set out from Scottfield aerodrome, Belleville, Illinois, yesterday, seeking to break the world's altitude record for free balloons, lost his life in the attempt. The wrecked balloon, containing his body, was found near here to-day.

An oxygen tube was found severed, apparently having been cut accidentally by a knife found in Captain Gray's hand. The stopping of the flow of the life-sustaining oxygen explains the aviator's death when above the clouds.

His log contained a final entry to the effect that he had attained an altitude of 40,000 feet.—Reuter.

GERMAN "ACE" SAFE.

From Our Own Correspondent.

ALLAHABAD, Sunday.—Herr Koennecke, the German airman, who is on a flight to the Far East, and of whom no news had been received since Wednesday, is reported to-day safe at Etawah, 170 miles from here. He made a forced landing and the tail of his aeroplane has been damaged.

SYDNEY FERRY DISASTER.

SYDNEY, Sunday.—Divers have recovered three more bodies of those killed in the ferry disaster.

The divers to-day went down to a depth of over 70ft. and found the shattered remains of the women's cabin which, apparently, received the full force of the collision. No bodies, however, were seen in the vicinity. It is feared that other dead may be lying on the bed of the harbour. A cable has been received from the Duke and Duchess of York expressing sympathy with the bereaved.—Reuter.

Fifteen women hockey players from Denmark arrived in London last night to play matches during the week against Surrey, Kent and Middlesex.

The Marylebone Liberal Association has recently been revived, and a large number of members have been enrolled. The temporary offices of the Association are at 52, Belsize Park, N.W.3. All Liberals in Marylebone are invited to become members.

PAPER THE TIMES

(16)

CITY LONDON DATE Nov 8,1927

THE BLUE NILE DAM.

ABYSSINIAN ENVOY'S STATEMENT.

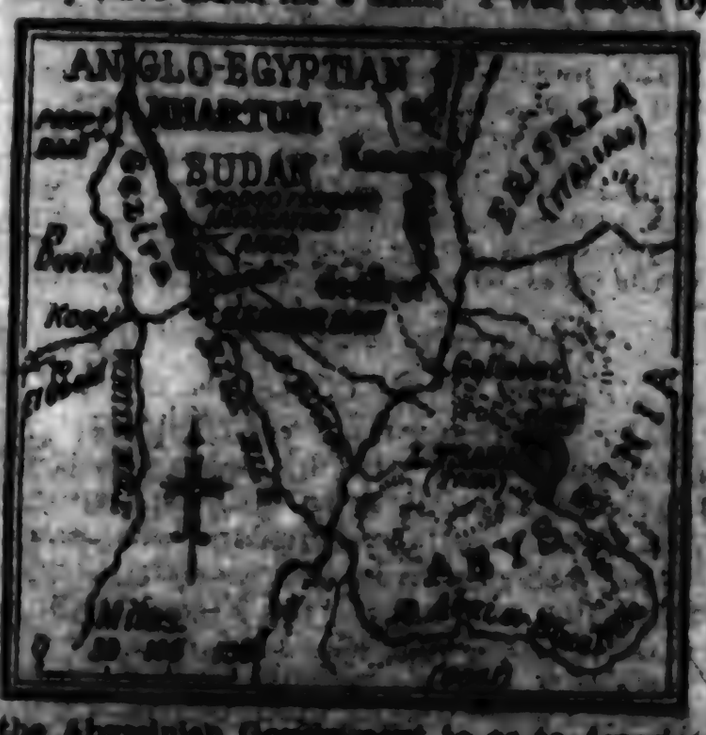
NO CONTRACT SIGNED.

(FROM OUR CORRESPONDENT.)

LIVERPOOL, Nov. 7.

Dr. Wargneh C. Martin, representative of the Regent of Abyssinia, arrived at Liverpool this afternoon from New York in the Cunard liner Laconia. In discussing the report that the J. G. White Engineering Corporation of New York were prepared to construct a dam over the Blue Nile at a cost of £4,000,000, Dr. Martin said :—

I have brought no contract or agreement for signature and none has been signed. If we wanted to build a dam across the Blue Nile near Lake Tsana, we could not do it under the Anglo-Abyssinian Treaty of 1902, unless the British Government approved. The British Government have wanted for a long time to control the waters of the Blue Nile. They have asked for a dam. I was asked by



the Abyssinian Government to go to America to see the White Corporation. Now I will go back to the Abyssinian Government and tell them what I have done. There is no agreement prepared. I am not going to the British Foreign Office to take any agreement for signature. I have come to England now for the purpose of seeing my children, who are at Chester, and not for the purpose of discussing the dam with the Foreign Office.

The construction of the dam could not interfere with any British rights. The British Government want it, so that the Sudan cotton and other produce may be irrigated and cultivated. There is no misunderstanding whatever between the Abyssinian and British Governments. If the British Government now said they did not want the dam, there is an end of the matter. The Abyssinian Government has not asked for any loan. The Government will find all the funds necessary.

When asked if there was any reason why a British engineering firm should not have been asked to submit a tender, Dr. Martin replied :—

That has been under discussion with my Government. But I am not in a position to say anything. We have not seen any other firm except the White Engineering Corporation. Some time ago a British engineer was sent to give an estimate of the cost of building a dam, and they estimated it at £4,000,000.

When his attention was directed to recent newspaper articles concerning the controversy created by the New York reports, Dr. Martin replied :—

All these reports are a storm in a teacup, and I am surprised. The Abyssinian Government want only to try to meet the wishes of the British Government, and I was asked to see if we could do so by putting an efficient firm of American engineers to construct the dam. I was invited to America and that was one of the reasons for my visit there.

Dr. Martin explained that he is the official of the Abyssinian Government in charge of social matters as the creation of schools, hospitals, and public works generally. Anything that is settled must have the approval of the British Government.

PAPER DAILY EXPRESS NUMBER (17)

CITY LONDON DATE Nov 8,1937

ABYSSINIAN ENVOY'S STATEMENT.

BRITISH CONTROL OF THE NILE ADMITTED.

U.S. DEAL NOT SIGNED.

DIPLOMAT WHO WAS ONCE A BATTLEFIELD WAIF.

THERE was a dramatic change yesterday in the delicate situation which had arisen out of the statement by an American company that they had received a £4,000,000 contract from Abyssinia to construct a dam across the Blue Nile at Lake Tsana. Such a dam would control water supplies that are essential to the irrigated cotton-growing areas of Egypt and the Sudan, and would be contrary to British treaty rights.

Dr. Wargneh C. Martin, the native Abyssinian envoy who was said to have placed the contract in New York, stated on arrival in England yesterday :—

If we wanted to build the dam we could not do so, under the Anglo-Abyssinian Treaty of 1902, unless the British Government approved.

We are only anxious to meet the wishes of the British Government. If the British Government do not approve, that is the end of the matter.

No contract has been signed with the American company.

British firms are invited to tender.

This brings to an end a situation which has been much more acute than was generally known, and had engaged the serious attention of the British and Egyptian Cabinets.

A puzzling point in Dr. Martin's statement is that, although he had gone to America merely to discuss the matter with an engineering company, he "conferred with Mr. Coolidge informally as a matter of courtesy."

Dr. Martin is a romantic figure. He was picked up as a child by a British officer, named Martin, on the battlefield of Magdala in April 1868, when a force under Lord Napier reduced the hill fortress of Magdala and rescued British captives. He was taken to India, educated by his benefactor, and for some years practised as a doctor.

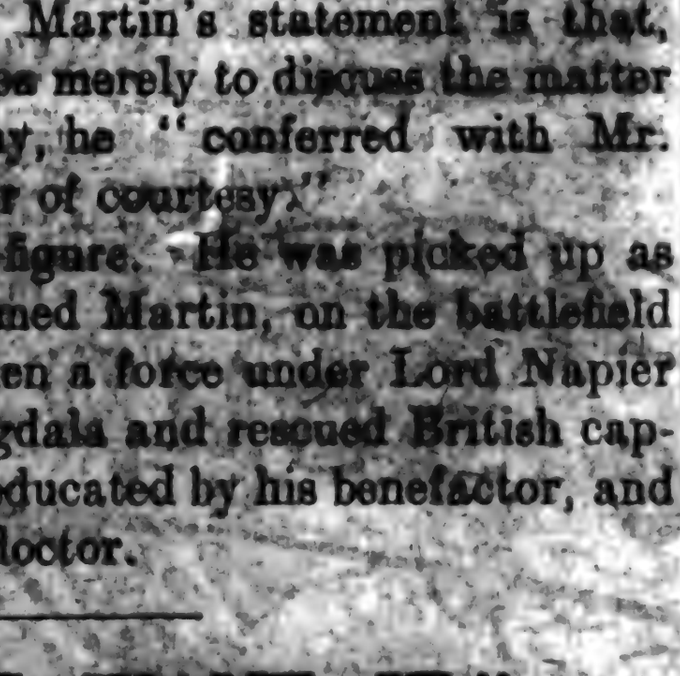
"WE DO NOT WANT IT."

"Daily Express" Correspondent.

LIVERPOOL, Monday.

DR. WARGNEH C. MARTIN made his statement to me today on his arrival from New York in the Cunard liner Laconia.

When I brought to his notice the widespread interest aroused in this country and Egypt by the American report that he had given a contract to the J. G. White En-



When I brought to his notice the widespread interest aroused in this country and Egypt by the American report that he had given a contract to the J. G. White Engineering Corporation of New York for the construction of a dam across the Blue Nile at Lake Tsana he said, "There has evidently been a storm in a teacup while I have been crossing from New York."

He continued:—

"If we wanted to build a dam across the Blue Nile near Lake Tsana we could not do so, under the Anglo-Abyssinian Treaty of 1902, unless the British Government approved.

"NO CONTRACT."

"Up to date no contract has been signed with the J. G. White Engineering Corporation of New York, and so far as I know there is no misunderstanding.

"The British Government want control of the Blue Nile by building a dam across its source at Lake Tsana. They have been asking for it for a long time, and the matter has been under discussion for some twenty years. British engineers estimated the cost of such a dam at £4,000,000.

"A long time ago I was asked by the Abyssinian Government to go to America and discuss the matter with the J. G. White Engineering Corporation. Nothing was settled while I was there. I advised the United States Government of the plans, and conferred with Mr. Coolidge, and that was done informally as a matter of courtesy.

WATER FOR THE SUDAN.

"This dam is being done for the British Government. We do not want it in Abyssinia. It is to supply water to the Sudan. We are anxious only to meet the wishes of the British Government. If the British Government do not approve, that is the end of the matter. Under the treaty, when the dam is built the British Government will pay for the water. It is not a political matter; it is purely a commercial idea.

"If the British Government is satisfied the building work could start in a few months' time, and it would take about three years to complete.

"The Abyssinian Government have limited my negotiations to America, but if a responsible British engineering firm made an offer which was better than the American one the Abyssinian Government would consider it.

"I am going to Chester to see my children, who are in college there. Then I shall return to Abyssinia to tell my Government what I have done in America.

"I have not come here for the purpose of discussing the dam with the British Foreign Office, but while in London I may meet Mr. Murray, an official, who is a personal friend of mine."



Map showing the source of the Blue Nile in Abyssinia, and the important cotton growing area it waters in the Sudan.

GUARDED BY TREATIES.

ABYSSINIA'S PROMISE TO GREAT BRITAIN.

Egypt and the Sudan depend on the waters of the Nile for their existence, and the great cotton-growing enterprises would be ruined if the irrigation systems were hindered.

This great water supply has been the subject of many undertakings with neighbouring Powers.

Abyssinia undertook, by the treaty of May 15, 1902, "not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of their waters into the Nile, except in agreement with his Britannic Majesty's Government and the Government of the Sudan."

BATTLEFIELD WAIF.

Dr. Martin, who has been described as Permanent Agent of the Abyssinian Government in America, has had a dramatic career.

When a force under Sir Robert Napier (afterwards Lord Napier of Magdala) sent to rescue British captives, stormed and destroyed the hill fortress of Magdala on April 13, 1868, a British officer named Martin picked up on the battlefield a little native child who was apparently orphaned.

Martin took the child with him to India. There he had him educated, and as Dr. Martin the one-time waif of the battlefield practised for some years as a medical man in India.

Later he retired and went to America, but his children are now being educated in this country. He draws a pension from the Indian Government.

PAPER DAILY NEWS

CITY LONDON DATE Nov 8,1927

(18)

THE NILE DAM.

Dr. Martin, the Envoy-Extraordinary of the Abyssinian Government, now declares in a somewhat curious interview that no contract has yet been granted to an American firm for the building of the Nile dam, and admits that if the British Government says it does not want the dam, there is an end of the matter. His innocence is a little too obvious, however, when he expresses surprise at the fuss made, since the British Government had "asked for the dam." But what the British Government did not ask for, and is not likely to permit, is a dam constructed and controlled by an American firm, under the auspices of the American Government, for the irrigation at an American price of Egyptian lands. Dr. Martin by no means clears up the mystery; but we do not think the Egyptian Government, which has just announced its profound emotion at the report of the American project, need fear the ultimate issue. Dr. Martin's meditations on his Transatlantic voyage have evidently not been altogether profitless.

No. 2267

884.6461

RECD

EMBASSY OF THE
UNITED STATES OF AMERICA

London, November 11, 1927.

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DEPARTMENT OF STATE
NOV 23 1927
DIVISION OF
NEAR EASTERN AFFAIRS

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INDEX BUREAU
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The Honorable

The Secretary of State,

Washington, D.C.

Sir:

884.6461/20

I have the honor to refer to the Embassy's despatch No. 2258 of November 8, 1927, relating to the construction of a dam across the Blue Nile by an American Company, and in this connection to forward press clippings containing statements by Dr. Wargneh Martin of Abyssinia who recently returned from the United States, and Sir Austen Chamberlain's remarks in the House of Commons.

I have the honor to be, Sir,

Your obedient servant,

Ray Atherton

Ray Atherton
Chargé d'Affaires ad interim

Enclosures/

Enclosures:

"Abyssinia and the United States" from THE TIMES of November 9, 1927.

"Tsana Dam Scheme" from the DAILY TELEGRAPH of Nov. 10,1927.

"The Blue Nile Dam" from THE TIMES of November 9, 1927.

"Abyssinia and the Nile" from THE TIMES of November 9,1927.

PAPER THE TIMES NUMBER

CITY LONDON DATE Nov 9,1937

ABYSSINIA AND THE UNITED STATES.

ENVOY'S MISSION TO WASHINGTON.

It is learned that Dr. Wargneh G. Martin, the Abyssinian envoy who has reached this country on his return journey from the United States to Addis Ababa, had another mission in America besides that of obtaining tenders for the construction of a dam across the Blue Nile at Lake Tsana.

Rather more than a year ago an American State official, Mr. Ralph J. Totten, paid a visit to the Abyssinian capital to discuss the question of the establishment of a United States Legation there, and Dr. Martin was instructed by the Abyssinian Government to return the visit and to continue the discussion of this matter at Washington, where Abyssinia is not diplomatically represented. Dr. Martin is thus understood to have called upon the Secretary of State, Mr. Kellogg, primarily to discuss the question of diplomatic representation, and only secondarily to bring to his notice the projected construction of the dam by an American firm.

In this connexion attention may be drawn to the Convention on Hydraulic Power concluded by the League of Nations in 1923 and since ratified by Great Britain. One article of the Convention is as follows:—

If a Contracting State desires to carry out operations for the development of hydraulic power which might cause serious prejudice to another Contracting State, the States concerned shall enter into negotiations with a view to the conclusion of Agreements which will allow such operations to be executed.

STATEMENT FROM U.S. COMPANY.

(FROM OUR OWN CORRESPONDENT.)

NEW YORK, Nov. 8.

Mr. E. N. Chilson, Vice-President of the J. G. White Engineering Corporation, said yesterday of the reported British comment on Abyssinian negotiations with his firm for the building of a dam on the Blue Nile:—"If the British think more of doing the work than of getting the water, all well and good." But, he added:—

We do not wish to create any ill feeling between the United States and Great Britain. We would not wish to injure the British sphere of influence in Africa, or their prospects. But we are a private company, and should be free to do business in any part of the world. We seek to avoid, and desire not to be involved in, or aggravate, any international misunderstanding, but rather to exercise our right to serve the Ethiopian Government, and would be greatly honoured if, in this matter of business, we prove incidentally to be, as we hope we may become, a medium of service in the best interests of the high purposes both of Ethiopia and of Great Britain.

PAPER DAILY TELEGRAPH NUMBER

CITY LONDON DATE Nov 10,1927

TSANA DAM SCHEME.

"TENTATIVE INQUIRIES."

Reuter's representative had an interview with Dr. Wärgnäh Märtin, the representative of Abyssinia in the United States, who reached London last evening. Dr. Martin said:

The whole story about the proposed dam is a storm in a teacup and a huge misunderstanding. I am here on private family affairs, and am returning to Addis Ababa in about a week. The excitement only started after I left New York. All suggestions that I or the Abyssinian Government are trying to arrange something against existing Treaties with Great Britain are absurd. Although I saw the President and the Secretary of State in Washington the question of an Abyssinian dam was never mentioned. My journey to the United States was in order to see New York financiers with regard to the scheme for building a dam, and I have received proposals as regards the conditions on which it can be constructed. If these proposals, which I have in my pocket and concerning which my Government at present knows nothing, are acceptable, the next step is to consult with the British Government.

For about a quarter of a century Great Britain has had in view the construction of a dam on Lake Tsana, and, as you will see, this desire of the British Government has been under the consideration of the Government. It has never been a matter on which the Abyssinian Government has taken the initiative. About six months ago the British Minister at Addis Ababa brought up the question, and renewed the request for a concession to build the dam. It was then that I was sent to the United States to see if I could arrange for its construction by an American firm, under the auspices of the Abyssinian Government. I went to the United States because the financial conditions were better there than elsewhere.

There has never been any question of trying to get behind Treaty obligations with Great Britain, and there has been no necessity to inform the British Government because we have only studied the state of legislative matters, as to the results of which, I repeat, the Abyssinian Government is not even aware. The Abyssinian Government has never had the least intention of interfering with the water supply.

PAPER THE TIMES NUMBER

CITY LONDON DATE Nov. 9, 1927.

THE BLUE NILE DAM.

SIR A. CHAMBERLAIN'S STATEMENT.

SIR N. GRATTAN-DOYLE (Newcastle, N., U.) asked the Secretary for Foreign Affairs whether he had seen the report that an American company had been granted a concession by the Abyssinian Government which would enable that firm to control the water supplies of Egypt and the Sudan, and if Great Britain had any treaty rights in this important matter.

SIR A. CHAMBERLAIN (Birmingham, W.).—Yes, sir; but I have not as yet received any official information as to the reported negotiations, nor as to the attitude of the Abyssinian Government in the matter. If it had been the case that the Abyssinian Government contemplated the grant of such a concession, without consulting us, this action would constitute a violation of the Treaty of 1902 between his Majesty's Government and the Emperor Menelik, whereby the Abyssinian Government undertook not to construct, or allow to be constructed, such a dam except by agreement with his Majesty's Government and the Government of the Sudan, but I am confident that the Abyssinian Government are not unmindful of this obligation, and this is confirmed by the interview with Dr. Martin, which appears in this morning's papers. My meeting with the Egyptian Prime Minister and Minister for Foreign Affairs gave me the opportunity to put him in full possession of our views and to take counsel with him on this matter in which the Egyptian Government naturally takes a keen interest.

SIR N. GRATTAN-DOYLE asked if there had been any communication between the Foreign Office and Washington on this matter.

SIR A. CHAMBERLAIN.—If the hon. member means between the British and American Governments, no.

LIEUT.-COMMANDER KENWORTHY (Hull, Central, L.) asked if the Government would themselves take steps to barrage the Nile.

SIR A. CHAMBERLAIN.—We have made proposals to the Abyssinian Government with that in view, and the matter is still the subject of negotiations.

Mr. DAY asked what the outlay would be.

SIR A. CHAMBERLAIN.—An estimate was made, but I will not undertake to say whether that estimate can be absolutely relied on. In any case, my memory could not be relied on to repeat the figure without notice.

Mr. KIRKWOOD (Dumbarton, Lab.).—In the event of America not agreeing to our terms, I suppose this Government would be prepared to call on the English boys and the Scottish boys to go and have a war with the Americans.

SIR A. CHAMBERLAIN.—May I be permitted, in the public interest, to say that no question arises between the Government of the United States and his Majesty's Government in this matter, and I anticipate no difficulties between them.

PAPER THE TIMES NUMBER

CITY LONDON DATE Nov 9,1927

Abyssinia and the Nile.

Though Sir Austen Chamberlain said yesterday in the House of Commons that he had no official information about the granting of a concession to an American company to build a dam across the Blue Nile in Abyssinia, he expressed his confidence in the good faith of the Abyssinian Government, and referred in appreciative terms to the statements made at Liverpool on Monday by the Abyssinian envoy. Dr. Warqneh Martin certainly cleared a situation which had been a little obscure since the first news of his transaction arrived from New York. He has reached with the J. G. White Engineering Corporation a commercial agreement, though no contract has actually been signed. The plan was made known to the American Secretary of State, who saw no objection to it, and doubtless welcomed the prospect of an important contract abroad being captured by American industry. The Abyssinian envoy had an official reason for calling on Mr. Kellogg, wholly unconnected with the dam across the Nile. About a year ago a representative of the United States, Mr. Totten, had paid an official visit to Addis Ababa; and Dr. Martin was instructed by his Government to return this visit, and to arrange for the permanent diplomatic representation of the United States at the Court of Ethiopia. Dr. Martin at the same time did some business. The British Government, as he has pointed out, and as is indeed well known, has long pressed upon successive rulers of Abyssinia the great advantages which would eventually accrue to the Sudan, to Egypt, and to Abyssinia herself from the regulation of the flood-waters which at regular intervals break their natural bounds at Lake Tsana and run to waste when the Nile is already in full flood from other sources. Dr. Martin had, therefore, also been commissioned to invite tenders for the construction of a barrage. He came to terms with the J. G. White Engineering Corporation of New York, and regards this arrangement primarily as a business proposition.

But the project is clearly something more than this, as Dr. Martin is himself quite ready to recognize. In the first place it requires the ratification of the Abyssinian Government, and that Government is bound by a Treaty concluded with Great Britain in 1902 not to permit the construction of any works affecting the flow of the waters of the Nile except in agreement with the Governments of the Sudan and of Great Britain. Even if no such Treaty existed it would be obvious that a barrage built in that region could not possibly be a profitable undertaking, could not indeed serve any practical object, unless it were operated in close accord with the riparian countries. Common sense requires that those who control the flow of the river and those who live by its irrigation lower down on its course should be effectively associated. The point has been recognised in one of those useful international Conventions which have been concluded by the League of Nations, and of which we quote the relevant article on another page. Great Britain is one of the countries which have ratified it; and the Convention sets the problem in its true perspective—a matter of adjustment between the needs of all the nationals who depend for their prosperity on the waters of the Nile. Without this adjustment the dam might just as well not be built at all. It can only repay its outlay if the use of the waters which it stores is recognized as valuable by the riparian States; and, although the ultimate usefulness of a dam at Tsana is not in doubt, existing irrigation works regulate the Nile to a sufficient extent to cover the needs of the land at present under cultivation. Moreover it is doubtful whether the contract could possibly be carried out without a free use of the route through the Sudan and the building of a road connecting the Sennar district with Lake Tsana. For all these reasons it is clear that nothing can be done without careful previous consultation

Sarwat Pasha on the conclusion of his successful conversations with the British Government, that the interests of Great Britain and of Egypt appear to be absolutely identical, and that the Egyptian Prime Minister and the British Foreign Secretary have been able, in Sir Austen's words, to "take counsel together" in this matter. The Sudan also stands in the same position; and Abyssinia has much to gain and nothing to lose by carrying out her part of the bargain in accordance with the terms of the Treaty she has signed. There is, of course, as Sir Austen Chamberlain implied, not the slightest reason to suppose that she is in a mood to disregard her obligations. A frank and patient exchange of views should enable her Government to settle the problem raised by the project of the dam in perfectly friendly agreement with the countries immediately affected.

BY William Lescure DATE July 17, 1962

through the Sudan, and the building of a road connecting the Somme district with Lake Tsana. For all these reasons it is clear that nothing can be done without careful previous consultation between all the parties concerned.

The REGENT of ABYSSINIA may easily have misunderstood the purpose of the Agreement recently concluded between Great Britain and Italy in regard to Abyssinian affairs. It is really of great importance, therefore, that this country should have at Addis Ababa a representative capable both of firmness in stating the British view and of sympathy with Abyssinian misgivings. There should be no difficulty in ultimately reconciling the interests of all parties in a transaction that is only partly commercial. In its wider political aspect it is pleasant to record, at the moment of the departure of

RECD
INDEX BUREAU
DEPT OF STATE

NO. 1

AMERICAN CONSULATE,

Aden, Arabia, November 7, 1927.

NOV 26 27

DEPARTMENT OF STATE
NOV 2 1927
DIVISION OF
NEAR EASTERN AFFAIRS

884.6461

SUBJECT: Construction of Blue Nile Dam.

1—1068

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to quote, as of possible interest to the Department, a Reuters Telegrams, dated London, November 4, 1927, which appeared in the local Aden telegraphic news-sheet of November 5th:

"BLUE NILE DAM.

"LONDON.— Friday.

"Well informed circles in London are not alarmed at the reaffirmation of the report in New York, regarding the Blue Nile Dam Contract. It is not thought in London that the Abyssinian Government can have cognizance of such an arrangement, since the Treaty position was well defined in 1902, when Menelik II undertook not to construct or allow to be constructed any work across the Blue Nile or Lake Tsana or the Sobat which would arrest the flow of their waters to the Nile except by agreement with the British Government or the Government of Sudan. It is understood that the Abyssinian Government have not approached ~~the~~ British Government to obtain the latter's consent to such a project."

The telegram disputes the accuracy of the report regarding American interest in the Tana Dam project, on the ground that it is in conflict with the 1902 understanding. I assume that reference is made to the exchange of notes between the British Minister in Addis Ababa and the Abyssinian Government on March 18, 1902. The note from the British Government to the League of Nations on August 3, 1926 (as quoted in the United States Daily) states that in the exchange of notes on March 18, 1902, "the Emperor Menelik

confirmed

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RECD

confirmed an oral undertaking given some days previously',"that there is to be no interference with the waters of the Blue Nile and Lake Tsana except in consultation with His Britannic Majesty's Goverrmment and the Government of the Sudan; that in the case of any such interference, allother conditions being equal, preference will be given to the proposals of His Britannic Majesty's Government and the Government of the Sudan; and that His Majesty, the Emperor Menelik, has no intention of giving any concession with regard to the Blue Nile and Lake Tsana except to His Britannic Majesty's Government and the Government of the Sudan or one of their subjects'".

It is interesting to note that although the Emperor appears to promise a great deal as quoted in the note above, he actually promises very little. He promises:

1. No interference without consultation (but nothing appears to have been said about"consent").
2. Preference to Great Britain — all other conditions being equal, a phrase which will admit of considerable interpretation!

and adds a statement regarding his intentions. It is possible that the full text of the 1902 notes, which I do not have, will show the understanding to be more explicit than it appears to be in the extract quoted above. The foregoing observation, concerning what appears to me as a rather vague and intangible sort of understanding, is made only as of passing or historic interest.

An observation possibly more relevant is that the suggestion of a program of American finance and construction for the Tana Dam was actually made some time ago by Dr. Martin to the British Minister at Addis Ababa. Reference to this

conversation

conversation is made in my despatch No. 5 of November 4, 1927, "Comment of British Minister, Addis Ababa, on Dr. Martin's visit to the United States". While I am unable to affirm that the suggestion made was official in character, I can state that the impression conveyed by the last sentence of the telegram quoted on page 1 is erroneous.

Two further telegrams, one from London, and one from Cairo, both dated November 6th, are quoted from today's issue of "Reuters Telegrams":

"BLUE NILE DAM.

"PAINFUL IMPRESSION CREATED.

"LONDON. - Sunday

"The 'Daily Telegraph' diplomatic correspondent says, there seems to be no reason any longer to doubt the accuracy of the White Engineering Corporation's announcement. The Company says it is not concerned with the political aspect of the contract."

"CAIRO. - Sunday

"The cabinet specially met in connection with the Lake Tsana Barrage question and decided to telegraph Sarwat Pasha who is in London discussing the Anglo-Egyptian points of difference with Sir Austen Chamberlain, and to send him material whereupon he can base his statement regarding Egypt's position, also informing him of the painful impression created by the Abyssinian Government's intention."

I have the honor to be, Sir,

Your obedient servant,

Clayson W. Aldridge

Clayson W. Aldridge,

American Vice Consul in Charge.

Original and four copies to the Department.
Copy to: American Embassy, London.
American Legation, Athens.
American Consulate General, Singapore.

File No. 800

SID.

NO. 5

RECD

INDEX BUREAU DEPT. OF STATE

DEPARTMENT OF STATE

NOV 26 1927

DIVISION OF NEAR EASTERN AFFAIRS

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NOV 26 27

SUBJECT: Comment of British Minister, Addis Ababa, on Dr. Martin's visit to the United States.

1—1055

file

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to refer to the brief visit in Aden of Mr. Bentinck, His Britannic Majesty's Minister at Addis Ababa, and to report briefly the Minister's comments to me on the subject of Dr. Martin's trip to the United States.

033.8411

Mr. Bentinck stated that Dr. Martin's mission had been shrouded with mystery in Addis Ababa and that a very considerable amount of speculation has taken place in that capital regarding the possible motives of Dr. Martin in undertaking the visit. Persistent rumors, Mr. Bentinck said, circulated to the effect that Dr. Martin's mission was to secure the services of a number of negro teachers or educators for Abyssinians schools, which His Highness, Ras Tafari, intended to create. Mr. Bentinck found the idea so romantic and impractical that he would have dismissed it, had not the rumor persisted. He accordingly decided to question the Ras directly.

884.6461-Ioans/23

"Ras Tafari laughed", the Minister said, "and appeared to be highly amused. So I said, 'Then there is no truth in the rumor?'"

"The Ras replied, 'It's all right as far as it goes' —

and

and that is all he said."

The British Minister confessed that he was puzzled by this evasive reply, as he had been puzzled by the air of mystery in which the visit and plans of Dr. Martin had been veiled.

Mr. Bentinck then referred to a conversation he had once had with Dr. Martin on the subject of the Tanan dam, and suggested that this might throw light on Dr. Martin's real purpose in visiting the United States. Dr. Martin, he said, had proposed the creation of an Ethiopian company to undertake the construction of the much-dreaded dam on the Blue Nile, thus allaying the fears and suspicion of the local Rases and Ethiopian sentiment in general. Dr. Martin admitted, according to Mr. Bentinck, that Ethiopia could not possibly supply the requisite technical skill to undertake the actual construction of the dam, but proposed that American engineers be engaged for this purpose. The presence of American engineers would reassure the Abyssinians and convince them that the dam was not purely an instrument of British penetration.

"But what about the capital?" the British Minister quoted himself as asking.

"We will get a loan from America", Dr. Martin replied.

Mr. Bentinck did not volunteer the remainder of the conversation, but stated that personally he could assign no purpose to Dr. Martin's visit other than a desire to further the scheme mentioned above. The possibility that Dr. Martin's intention may have been to urge American representation in Abyssinia was not mentioned by the Minister.

It is regretted that Mr. Bentinck did not see fit to define the attitude of his Government, in the event that American

capital

capital was approached, in accordance with Dr. Martin's plan. Dr. Martin, he said, had urged his scheme by putting forth the argument that the British ambition for a dam on the Blue Nile might be realized sooner under such conditions than would otherwise be possible.

Whether British desire for an immediate construction of the dam is keen enough to allow its cherished plans to be sacrificed, and supplanted by a purely American project, is a subject which the British Minister did not see fit to develop in his conversation of yesterday. He remained in Aden less than two days and left yesterday for Addis Ababa.

The following brief news-item appeared today in "Reuter's Telegrams", a mimeographed sheet which represents the only source of daily telegraphic news in Aden:

"BLUE NILE DAM.

"RUMORED AMERICAN BID FOR CONTRACT.

"LONDON.- Thursday

"Well informed circles in London are sceptical concerning a report in the New York Times, to the effect that the White Engineering Corporation in New York is likely to obtain the concession from the Abyssinian Government to build a Dam across the Blue Nile and thus control the water supplies in Egypt and the Sudan. On the contrary, it is believed that no such agreement is possible under the terms of the Anglo-Abyssinian Treaty, moreover the construction of the Dam has long been discussed by the Anglo-Abyssinian Governments."

"NEW YORK. - Thursday

"White the Vice President of the White Engineering Corporation and Yuttner who is agent for the Abyssinian' Government's envoy Martin, both interviewed by Reuter, confirmed the details of the Blue Nile Contract. Yuttner stated that Martin who had recently returned to Abyssinia acted with the full knowledge of the American Government and they were keeping Coolidge and Kellogg fully informed of the progress of the negotiations and the final result."

Reference is made, in this connection, to Mr. Park's despatch No. 208 of March 17, 1927, "Changes in the Government of Abyssinia",

Abyssinia", in the last paragraph of which he analyses the desire of Great Britain for an American representative in Addis Ababa, and points out the very real necessity for a "careful middle course"— if American interests in Ethiopia are not to be embarrassed.

Whether a purely American project for the construction and financing of the Tana dam wouldplease both Great Britain and Ras Tafari, by making possible the cherished desire of the one and the promised-but-belated consent of the other, or whether it would serve only to embarrass American relations with each of the same two interested parties, is a subject for speculation which Mr. Bentinck's remarks could not fail to suggest.

I have the honor to be, Sir,

Your obedient servant,

Clayson W. Aldridge

Clayson W. Aldridge,
American Vice Consul in Charge.

Original and four copies for the Department.
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File No. 800

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EMBASSY OF THE
UNITED STATES OF AMERICA

No. 615.

Madrid, November 10, 1927.

884.6461

NOV 28 27

DEPARTMENT OF STATE
NOV 29 1927
U.S. SECTION OF
NEAR EASTERN AFFAIRS

FILE

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884.6461-Loans/24

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INDEX BUREAU

Copy Transmitted by The
Commercial Office (A-C/O)
To Aden
London

The Honorable

The Secretary of State,

Washington.

S i r:

I have the honor to transmit herewith, for the Department's information, translation of an editorial from the A B C of yesterday, entitled "An Anglo-Yankee Conflict in Abyssinia", which treats the recent history of international conflicts and agreements over the irrigation of Sudan and Egypt with the waters of the Nile, and states that the recently reported permission granted to the White Engineering Corporation by Ras Tafari to construct a dam at the source of the Blue Nile foreshadows a new phase of the economic struggle between England and the United States. The article further states that the recent appointment of an American Minister Resident to Addis-Abbaba indicates a new

orientation . . .

orientation of Abyssinia's foreign policy and represents an endeavor on the part of Ras Tafari to free himself from Anglo-Italian tutelage by seeking a closer accord with the United States.

I have the honor to be, Sir,

Your obedient servant,

Ogden H. Hammond

Ogden H. Hammond.

Enclosure:

Translation of article from
A B C, of November 9, 1927.

Enclosure N.° — in Despatch N.° 615.

TRANSLATION

From "A B C" (Madrid) November 9, 1927.

"AN ANGLO-YANKEE CONFLICT IN ABYSSINIA.

"Egypt is the gift of the Nile"; indeed, without the Nile, whose periodic inundations fertilize its valley, the land of Egypt could not support 14 million inhabitants, but merely a few thousand nomad Bedouins; without the Nile Egypt would be lost in the Libyan and Arabian Deserts, which surround it.

However, the Nile crosses the Sudan before entering Egypt and the Sudan is occupied by England, which is encouraging in that region plantations for growing cotton, which it needs for its textile industry, and in order to irrigate the plantations it needs a part of the waters of the Nile. Thus has arisen the conflict between England and Egypt with regard to the distribution of the Nile waters. The insistence of the Egyptian nationalists in calling Fuad I "King of Egypt and of the Sudan" is not merely due to considerations of a moral nature, but also to practical reasons.

One of the arms of the Nile is the Blue Nile; it arises in Abyssinian territory from Lake Tsana. It is understood that England has endeavored to exercise control over the Blue Nile from its source. Last year an agreement was published between Great Britain and Italy by virtue of which London reserved the right to construct a dam at the source of the Blue Nile at Lake Tsana and a highway along the river to the frontier of the Sudan. Italy, for its part, considered itself authorized to construct a railroad across western Abyssinia to join Eritrea with Somaliland. The Italian project prejudiced France, mistress of the one Abyssinian railroad, which goes from the capital, Addis-Abbaba, to the French port of Djibuti.

The . . .

The regent of Abyssinia considered the Anglo-Italian agreement, which was signed without consultation with him, an attempted infringement against the sovereignty of his country. The Abyssinian Government protested to the League of Nations, of which it is a member; but shortly thereafter it withdrew its protest and the recent visit of the Duke degli Abruzzi to Addis-Abeba seemed to indicate that all discord between the two governments had disappeared.

In reality, the Abyssinian Government did not withdraw its protest on account of being satisfied with the Anglo-Italian agreement, but on account of having lost faith in the efficacy of the League of Nations. It was silent, but in secret it entered into negotiations with the American industrial world. The result of the negotiations has just been made known: the White Engineering Corporation, authorized by the Washington Government, will take charge of the construction of a very powerful dam at the source of the Blue Nile at Lake Tsana, and will sell to the Sudan the water which it needs for irrigation. The Abyssinian Government will participate in the profits.

The news has had the effect of a bombshell. The British Government has gotten out the Treaty of May 15, 1902, by virtue of which Emperor Menelik agreed not to undertake any work on the Blue Nile or on Lake Tsana without previous agreement with the Government of His Britannic Majesty. Mr. Eckstein, President of the Sudan Plantations Syndicate, asserts that by the construction of the projected dam, water might be taken for three million acres. Najas Pasha, successor of Zaglul Pasha, as the head of the Walfd party, considers the matter extremely grave for the economic life of Egypt. Saruat Pasha, President of the Egyptian Council, has prolonged his stay in London for the sole purpose of talking with Chamberlain about the new Abyssinian matter.

We . . .

We have entered upon a new phase of the economic struggle between England and the United States. If the Yankee company constructs the dam, it will be able to put up the price of Egyptian cotton, and consequently, of English textiles, to the profit of this industry in North America. It is asserted, furthermore, that the matter likewise has great political importance, since the Prince Regent, Ras Tafari, has appealed to Yankee experts to transform Abyssinia into a modern country, in order to free himself from a possible Anglo-Italian tutelage. The Washington Government, which since 1914 has had no diplomatic relations with Abyssinia, has recently appointed a Minister Resident. The London Government, for its part, will not fail to invoke the Treaty of 1902, and this time will be abetted by all political parties in Egypt.

November 7, 1927.

File

MEMORANDUM.

Treaty Provisions and other Official References to
The Lake Tsana Dam Project.

Index Bureau
RECEIVED
MAY 10 1928
Dept. of State

Introduction.

The Project. The cultivatable area of Egypt is approximately 6,500,000 acres of which only some 5,300,000 acres are cultivated. This cultivation is made possible through irrigation, rainfall being negligible. The water is, of course, obtained from the Nile. During September, at "high" Nile, a daily average of over 8,000 tons per second flow through the main regulatory dam at Aswan; during April, at "low" Nile, only some 700. At "high" Nile a great volume of the flow cannot be used on the land and passes into the sea; at "low" Nile there is insufficient water to irrigate all the cultivated area. It was with a view to storing water which might be released for use during the period of "low" Nile, as well as for the irrigation of the Gezira, that the recently completed Sennar Dam, on the Blue Nile 220 miles south of Khartoum was constructed. It is with the same end in view that a dam at the outlet of Lake Tsana is proposed. Other irrigation construction projects are envisaged which will still further regulate the flow of the Nile and which will make possible not only a sufficient supply of water for the perennial irrigation of all the cultivated land of Egypt but also an increase in the cultivated area of that country as well as of that of the Anglo-Egyptian Sudan. The Lake Tsana Dam project is, therefore, but one item of an irrigation program of great magnitude, although it is well to add that its immediate benefits will accrue primarily to that area of the Sudan south of the Sennar Dam area.

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APR 1931

Its Relative Size. It has been roughly estimated by J. G. White & Company that the cost of constructing the Tsana Dam, including

including the building of a motor road from Addis Ababa to the dam site, would be $20,000,000. The Sennar (Makwar) Dam, opened in 1926, cost some $60,000,000. The necessary appropriation for a regulatory dam and contributory works to be constructed at Nag Hamadi is estimated at $30,000,000; for a further proposed dam at Gebel Aulia on the White Nile some $25,000,000. The earliest important work constructed on the Nile proper, i.e. the Aswan Dam, is estimated to have cost in its present state approximately $20,000,000. There are other important works at Isna, Assiut and at the head of the Delta. From these figures and from the foregoing discussion it is clear that the Tsana Dam if built will be an important addition to the system of Nile regulatory works, but that, as compared with works already constructed or contemplated, it is, individually, not of outstanding importance.

The Present Ethiopian Proposal. On September 14 1927 Dr. C. Martin a special representative of Ras Tafari, bearing a letter from his sovereign to the President, called on the Secretary to arrange for the presentation of that letter. He stated his mission in this country to be (1) to urge this Government to re-establish its mission at Addis Ababa (2) to investigate opportunities for the education of Ethiopian students afforded by American institutions and (3) to foster American-Ethiopian commercial relations. Important under this last heading, he stated, were the opportunities for the investment of American capital in Ethiopia. And in this latter connection, he stated that the Ras was particularly anxious to interest American capital in the construction of the Lake Tsana Dam. He outlined the proposition which he wished to put up to American capital as follows: an American company to float a bond issue sufficient to finance the construction of a motor road from Addis Ababa to Lake Tsana and of the dam itself, the Ethiopian Government to

the contract for building the dam itself has recently been given to a British bidder for conclude approx. £1,900,000.

conclude an agreement with the British, Egyptian and Sudan Governments whereby a fair price would be paid for storage water made available by the dam such payments to be sufficient to cover interest and amortization charges on the bond issue. He asked whether the American Government had any objection to his discussing the matter on this basis with American engineering firms. The Secretary replied that he saw no objection whatsoever and that in general this Government favored the efforts of reputable American companies to obtain important engineering contracts abroad. Later, in discussions with the officers of the Department's Division of Near Eastern Affairs, he made it clear that ultimately the realization of the project would depend on the acquiescence of the British Government. When pressed on this point, he stated that it was obvious that Ethiopia could not build the dam with its own resources; that the British Government had indicated a willingness to pay for water supplied, but that no firm agreement with respect to such payments had been made; and that, until such an agreement was made, the plan which he proposed was necessarily tentative. When asked further whether Article III of the British-Ethiopian Treaty of 1902 (see page 4 below) would not permit the British Government to prevent the realization of his plans, he stated that the Ethopian Government did not consider itself bound thereby to permit the construction by a British firm only. In developing this he implied clearly that the Ras did not consider that he should be bound by that treaty "which was forced upon the Emperor Menelik," but he added that it was his Government's desire fully to cooperate with the British Government in bringing the presently proposed plan to fruition. Note. Subsequent press reports from London state that Dr Martin has clearly recognized the British right of veto under the 1902 treaty.

Negotiations with J. G. White & Company. Following his visit to Washington, Dr. Martin returned to New York where he took up his plan with J. G. White & Company. The negotiations were

were apparently successful, for upon his return to Washington, October 19, to take leave of the Secretary, he stated that that company was disposed to undertake the financing and construction work provided the Ethiopian Government could conclude, on a basis satisfactory to the company, the proposed international agreement. He stated that the company, after studying available documents, estimated that $20,000,000 would finance the proposition, adding, however, that before making a final offer it would wish to send experts to the field. He showed Mr. Shaw a letter from the company setting forth its understanding of his proposal and indicating its willingness to conclude an agreement to undertake the proposed financing (flotation of the proposed bond issue) and construction work (on a 15% cost plus basis) provided always that the international agreement already referred to should be concluded. A copy of the White proposal of 1927 is probably [illegible]

Dr. Martin's Departure. On October 29, Dr. Martin sailed for England on the SS "Olympic." While in Washington on October 19 and 20 he had given Mr. Shaw and Mr. Wadsworth clearly to understand that his arrangements with J. G. White and Company were tentative, adding, however, that as such they were highly satisfactory and that he believed they would be acceptable to his sovereign. When asked as to whether he would, when in England, take up the matter with the British Foreign Office he was somewhat vague, but later information (telephone conversation with Mr. Harrison Osborne of November 4) is to the effect that such is his intention. Note: later reports from London state that he has discussed the matter with the FO.

Treaty Provisions.

Anglo-Ethiopian Treaty of May 15, 1902.

"Article 3. His Majesty the Emperor Menelak II, King of Kings of Ethiopia, engages himself towards the Government of His Britannic Majesty not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of

their

DOCUMENT FILE

NOTE

SEE 125.0084/47 FOR #4

FROM Aden (Aldridge) DATED November 3, 1927
TO NAME

1—1127 GPO

INDEX BUREAU

REGARDING: One of the interests of British Government in Abyssinia is to further the Tana dam project.

Tana dam/25

ds

No. 4

Adem, Arabia, November 5, 1927.

SUBJECT: Conversation with Mr. Dentinck, His Britannic Majesty's Minister at Addis Abeba.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR:

I have the honor to report the substance of a conversation which I was privileged to have today with Mr. Dentinck, His Britannic Majesty's Minister at Addis Abeba.

Mr. Dentinck, who is making a very brief visit to Adem as part of a ten-day leave of absence from his post, called at the American Consulate yesterday morning, at which time I was fortunate enough to be presented by Mr. Funk.

Following luncheon today with Major Bailey, Officer Commanding of the Adem Troop, with whom Mr. and Mrs. Dentinck are staying while in Adem, the Minister expressed himself at some length and with considerable freedom on the subject of American representation in Abyssinia.

He stated that personally he would look forward very eagerly to the prospect of having an American colleague in Addis Abeba, as he had always found his American colleagues universally congenial and helpful. He spoke warmly of Mr. Loughlin, who had been his colleague in Athens. His remarks indicated a natural disposition and sincere desire to co-operate with the

Americans

American representative in Abyssinia. He stated that he did not know Mr. Southard personally, but he evinced the keenest interest in Mr. Southard's previous service, and especially in the fact that Mr. Southard was known in Addis Ababa. He very kindly suggested that Mr. Southard and his family should be his guests during the first few, unsettled days following their arrival in Addis Ababa — provided this would not prove embarrassing to Mr. Southard. He added that he would gladly undertake the formal presentation of the new American Minister to His Highness, Ras Tafari, if this procedure were desired. He indicated that he considered this the logical "protocol" to follow.

Apart from his personal feelings, the British Minister stated that his Government would view the establishment of an American Legation in Addis Ababa with pleasure, knowing that it could not but serve the British Government's own best interests. Mr. Rendall had no doubt that the views of the two Governments would coincide to a very large extent, and added that [illegible] British official influence with the Ras might fail, by reason of distrust and fear of penetration, American influence, being of an impartial and disinterested nature, might prevail.

He referred to the time-honored practice of slave raiding and the smuggling of fire-arms into the country. The interests of his Government in Abyssinia, today, he stated, were threefold:

1. To prevent slave raiding across British borders.
2. To check the smuggling of fire-arms into the country, and lastly,
3. To further the Tana dam project.

His omission of a fourth object — namely, the strengthen-

ing

ing of the Central Government against subversive movements and the complete disaster which such movements imply — may possibly be considered as indicating that he considers the Regent to be more completely in control than in the past.

The importance of Abyssinia as a field for British capital and enterprise, Mr. Bentinck minimized. So much capital had been lost in the country and so many enterprises had utterly failed, that his Government could no longer officially encourage private investment.

In this connection mention was made of the 1906 Agreement. The British [redacted] indicated that although the Agreement limited the Ethiopian commercial field for his Government — as well as for the other two contracting parties, France and Italy — and although the United States was under no limitation or restriction whatever, such a situation was not a matter of serious concern to his Government, as Great Britain was not interested today in general commercial [redacted] prise. Great Britain's interest, he said, lay in the Tsana (Tsana) Dam project.

Mr. Bentinck, in speaking of the [redacted] status of the1906 Agreement, said only that the French Government had been inclined in recent years to [redacted] the Agreement as no longer in force. He conveyed the idea, by implication, that Great Britain and Italy still regarded the 1906 Agreement as in force.

It seems logical to believe, however, that should American representation in Ethiopia eventually be followed by the investment of private capital on a considerable scale, a

way

would be found to terminate the 1906 Agreement — in so far, at least, as it limits the respective "spheres" of the three Powers. Mr. Bentinck stated that the only object of the Agreement, when originally made, was to prevent the possibility of serious misunderstanding between the Powers in the event of Menelik's death and subsequent turmoil in the country.

The Minister described the attitude of his French and Italian Colleagues in Addis Ababa as also favorable to American representation in the Capital. "The French and Italian Ministers hope", he said, " to see the United States wield the big stick with the Central Government. They believe that when the United States finds itself hindered and obstructed at every turn by the Abyssinian authorities, it will be less patient than they themselves have been."

As regards the position of Ras Tafari, Mr. Bentinck stated that His eagerness for an American representative in his Capital was occasioned by his belief that he could strengthen his hand against the mistrusted Powers.

It is apparent from the Minister's remarks that a curious situation exists. Both the Ras and the Powers favor American representation, each in the belief that his own hand will be strengthened against the other.

The [redacted] despatch has been prepared with the invaluable co-operation of Mr. Park. It is intended in no way to supplement his many, carefully-prepared reports on the same subject, but merely to indicate that the views of the British Minister, as expressed today, are in complete accord with the exhaustive information which Mr. Park has already transmitted.

transmitted.

A copy of this despatch, as well as copies of any subsequent report relating to Abyssinia, will be forwarded to the Consulate General at Singapore, as of possible interest to Mr. Southard.

I have the honor to be, Sir,

Your obedient servant,

[redacted] McAldridge,

American Vice Consul in Charge.

[redacted]inal and four copies to the Department of State.
to: American Embassy, London.
American Legation, Athens.
American Consulate General, Singapore.

File No. 701

SID.

[redacted]

A true copy of the original of this despatch.
[redacted]

DOCUMENT FILE

NOTE

INDEX BUREAU

SEE 883.9111/106 FOR #108

FROM Egypt (Winship) DATED Nov.7,1927
TO

NAME

1—1127 G P O

REGARDING: Press comment on negotiations between Abyssinian Government and J. G. White Engineering Corporation of New York for building a dam across the Blue Nile.

854.6461-Irrigation Dam/26

DOCUMENT FILE

NOTE

SEE 841.00/1081 FOR #2264

FROM Great Britain (Atherton) DATED Nov.7,1927
TO NAME

1—1127 G P O

REGARDING: effect upon public sentiment of reports from New York that the J.G.White Engineering Corporation had practically concluded negotiations with Abyssinian Government to build dam across Blue Nile. Excitement has died down.

Wh

INDEXED
884.6461-Dam/27

Armstrong-Vickers Fusion.

Press clippings covering the provisional agreement which has been signed between Messrs. Vickers, Limited,

and/

and Messrs. Sir W. G. Armstrong-Whitworth & Company, Limited, for the amalgamation of certain of their important works and businesses, have been forwarded to the Department. The formation of a new company is proposed, which will take over from January 1st next certain important works now principally engaged in naval ship building and the manufacture of heavy and special steel and armaments. The financial details of the amalgamation will be announced later.

THE J.G.WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES
J. G. WHITE AND COMPANY, INCORPORATED
THE J. G. WHITE MANAGEMENT CORPORATION
J. G. WHITE AND COMPANY, LTD., LONDON
THE ENGINEERS CORPORATION

CABLE ADDRESS
WHITENGCO, NEW YORK
A.B.C. 5TH AND 6TH
WESTERN UNION
SCOTT'S 10TH
BENTLEY'S

884.6461

DEPARTMENT OF STATE
1 1927
OFFICE OF
NEAR EASTERN AFFAIRS

November 25, 1927

ack.
11/26/27
Newton 12, 1927

United States Department of State,

Washington, D. C.

Gentlemen:

Attention Mr. G. Howland Shaw,
Assistant Secretary of State

In connection with our recent favorable negotiations with Dr. Wargneh C. Martin, Envoy Extraordinary of the Prince Regent of Ethiopia, respecting the financing, engineering and construction of the proposed Lake Tsana dam on the Blue Nile, much attention has been given the matter by the New York newspapers following Dr. Martin's interview with a representative of the "Wall Street Journal" just before he sailed.

It has occurred to us that our recently appointed Minister Resident and Consul General to Ethiopia, Addison R. Southard, Esq., might find of considerable interest and some value for his records, such a set of clippings from the New York papers, which we enclose herewith and if it pleases you we would ask that you kindly forward them with our respects.

884.6461-Tsana dam/28
FILED
NOV 17 1927

Yours very truly,

E. N. Chilson,
Vice President

November 28 1927

Mr. E. N. Chilson,

Vice-President, The J. G. White

Engineering Corporation,

43 Exchange Place, New York City.

Sir:

In reply to your letter of November 25, 1927, enclosing a set of press clippings on the subject of your negotiations with Dr. W. C. Martin regarding the financing and construction of the proposed Lake Tsana dam and suggesting that they be forwarded to the newly appointed American Minister Resident to Ethiopia, I take pleasure in informing you that a copy of your letter, with original enclosure, has been sent to Mr. Southard.

I am, Sir,

Your obedient servant,

For the Secretary of State:

CR
Nov. 28, 1927

G. Howland Shaw

Chief, Division of
Near Eastern Affairs.

NE-GW:VT.

GW

NE-GW:VT.

GW

CR
Nov. 28, 1927

A true copy of
signed
original

F-W. 884.6446/1-Tsana dam/28

November 29, 1927

The Honorable

Addison E. Southard,

Appointed Minister Resident and Consul General

of the United States to Ethiopia,

In care of the American Consulate General,

Singapore, Straits Settlements.

Sir:

The Department encloses for your information a copy of a letter, with original enclosure, received under date of November 25, 1927, from the J. G. White Engineering Corporation of New York City in the matter of its recent negotiations with Dr. W. C. Martin regarding the financing and construction of the proposed Lake Tsana dam.

I am, Sir,

Your obedient servant,

For the Secretary of State:

W. R. CASTLE, JR.

Enclosure:

Copy of letter of November 25, 1927 from the J. G. White Engineering Corporation, with original enclosure.

884.6461-Tsana dam/28

EE-GW:VT.

CR
Nov. 28, 1927

A true copy of the signed original.

RECD
EMBASSY OF THE
UNITED STATES OF AMERICA
INFO. BUREAU
DEPT. OF STATE

No. 2294

London, November 25, 1927.

Office of Economic Adviser
JN 4 1928
DEPARTMENT OF STATE

884.6461

DEC 3 27

Personal Letter to
Mr. Atherton
9 H 8 | mr D
Dec 6/27.

December 6 1927.

For Distribution

No. ✓

DEPARTMENT OF STATE
DEC 10 1927
DIVISION OF
EUROPEAN AFFAIRS

RECD
INFO. BUREAU
DEC 3 27
DEPT. OF STATE

DEPARTMENT OF STATE
1927
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU
884.6461/29
FILED
DEC 10 1927

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461/20

I have the honor to refer to the Embassy's despatch No. 2258 of November 8, 1927, and to state that in reply to a question in the House of Commons, asking for further information as to a concession by the Royal Abyssinian Government to an American firm of engineers to construct a barrage on the Blue Nile, Sir Austen Chamberlain replied as follows:

"No, Sir. I have nothing to add to the

information

"information which I gave in reply to questions on this subject on Tuesday last, except that I should perhaps have mentioned that, by an exchange of notes between Sir John Harrington and Monsieur Alfred Ilg in 1902, the Emperor Menelik undertook that, other things being equal, preference would be given to the proposals of His Britannic Majesty's Government and the Government of the Sudan; and affirmed that he had no intention of granting a concession in respect of the Blue Nile and Lake Tsana to anyone other than His Britannic Majesty's Government, the Government of the Sudan or one of their subjects. The present position is that on the 22nd September the Regent of Abyssinia addressed to His Majesty's representative at Addis Ababa a reply to the proposal which His Majesty's Government had made to him last May. I have recently instructed Mr. Bentinck by telegram to address a note to Ras Taffari which will carry these negotiations a step further."

I have the honor to be, Sir,

Your obedient servant,

Ray Atherton
Chargé d'Affaires ad interim.

December 6, 1927.

Dear Ray:

We have received and read with much interest your recent despatches relating to the negotiations between the J. C. White Engineering Corporation of New York and Doctor Martin with reference to the construction of the proposed dam on the Blue Nile at Lake Tsana.

In your latest despatch, No. 2294 of November 25, 1927, you quote Sir Austin Chamberlain's reply to a further question on this subject asked in Parliament. In this reply reference is made to an exchange of notes between Sir John Harrington and Monsieur Alfred Ilg in 1902. The Department has seen various references to this exchange of notes which took place shortly prior to the conclusion of the Anglo-Ethiopian Treaty of May 15, 1902, but it has been unable to obtain the full texts of the notes. Should you be able to obtain these texts other than by applying directly to the Foreign Office I should greatly appreciate your sending me copies.

Further, I am not clear as to whether the quoted provisions

Ray Atherton, Esquire,

American Charge d'Affaires ad interim,

London.

84.6461-Tsana dam/29

* Dated March 18, 1902.

provisions of these notes may properly be considered as being in force today. The phraseology of the treaty is less specific, and it might be argued that the Emperor Menelik in signing the treaty made his final pronouncement on the subject. Further, in Article 1 of the Anglo-French-Italian Agreement of December 13, 1906, it is stated that the three powers shall cooperate in maintaining the status quo as determined by certain specifically listed agreements amongst which the 1902 treaty but not the exchange of notes is mentioned. Perhaps you are or may be able to throw some light on this question also.

Sincerely yours,

G. Howland Shaw

HR GW/MMB

CF

Dec. 7. 1927. pm

DOCUMENT FILE

NOTE

SEE 123 So 8/155b FOR Instruction # -

FROM Southard at (Singapore) DATED Dec 1, 1927

NAME

TO Abyssinia

1-1127 GPO

REGARDING: Information concerning Lake Tsana dam project should be submitted.

884.6461-Tsana Dam/30

br

SUBJECT

Water Power --- Ethiopia.

Construction of the Lake Tsana Dam.

DATE

11-21-27 --- 1-18-29

CASE NUMBER

884.6461-TSANA DAM

31 Mar 656

Q 13

Q 654

JACKET No. 2

Please do not disarrange or remove papers from this jacket or deface jacket with office stamp or notations.

1—1286

RECD
EMBASSY OF THE
UNITED STATES OF AMERICA

Berlin, November 21, 1927.

No. 2911

DEC 5 27

DEPARTMENT OF STATE
DEC 6 1927
DIVISION OF
NEAR EASTERN AFFAIRS

884.6461
FILED

For Distribution

Consulate ✓ Aden

Copy Transmitted by Trade
Commercial Office (A-C/O)
To Foreign

DEC 7 1927

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that a good deal of interest has been shown in Germany in the Tsana dam incident. The newspapers published telegrams from New York and London concerning the supposed intention of the Abyssinian Government to let the contract to an American firm and reported at some length

884.6461/31

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DEC 15 1927

length the attitude taken up by the British Government in that connection. There have subsequently appeared a number of special articles discussing the physical, economic and political aspects of the Nile waters question and the alleged agression of Great Britain, and incidentally Italy, in Abyssinia.

This German interest springs partly from the fact that apparently another was being added to the increasing number of points of friction between the United States and Great Britain. The progress of relations between the two great Anglo-Saxon countries, always a matter of interest here, has latterly engaged public attention in a special degree. Secondly, Germany has its own economic interests in Abyssinia.

The Department no doubt saw the newspaper report that a German firm was also bidding for the Tsana dam contract and may have observed the comment in this connection of the Diplomatic Correspondent of the London DAILY TELEGRAPH that in any case Germany was surprisingly well informed about affairs in Northeastern Africa, Berlin having preceded Paris in a foreknowledge of the Anglo-Italian agreement of February 1926.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisl, Archivist
Date 9-21-59

~~STRICTLY CONFIDENTIAL~~.

It has not been possible so far to learn whether any German construction firm is in fact endeavoring to compete with Messrs. J. G. White & Company and the British. When the matter came up during an informal conversation at the

Foreign

Foreign Office last week, the official with whom I was speaking made, I thought, a rather uncertain statement on this point. He said, however, that in general German economic interests in Abyssinia were considerable and that Germany intended to safeguard them. When the Anglo-Italian agreement concerning Abyssinia was consummated, the German Government had informal inquiries made at both London and Rome and obtained assurances that German interests would not be adversely affected. A communication was given to the press on the subject at the time. See Embassy's despatch No. 1285 of July 12, 1926.

Referring to a common American and German interest in the maintenance of the open door in this region, the Foreign Office official added that he hoped that the United States would soon carry out its proposal to establish a diplomatic mission at Adis Abeba. At present there were only the German and French missions to put up a front against the British.

Among the special articles which the Tsana dam incident has called forth is one in the current issue of DER DEUTSCHE VOLKSWIRT from the pen of the well-known German publicist, Professor A. Mendelssohn Bartholdy of Hamburg, who lectured in 1926 at the Institute of Politics at Williamstown.

Professor Mendelssohn Bartholdy prefaces his article by saying that if European industry really exerts itself it is still able in many cases to drive American interests

away

away from foreign countries - in Asia or in Africa - which are to be newly opened to world trade. And so, in his opinion, the Tsana dam construction contract will not be awarded to an American firm. The whole question, he assures his German readers, is however a very good illustration of English concession policy, and he discusses in some detail the relations of Abyssinia to England and Italy.

The question, the article continues, is divided into two distinct phases. First of all, one must consider whether Abyssinia has the right to make fluvial constructions which would affect the Sudan and Egypt; and secondly, if she were permitted to do so under certain conditions, would she be allowed to award the construction concession only to an English firm or would the policy of the "open door" hold good.

But these two phases of the question need to be explained. Not much water has flown down the Nile, Mendelssohn Bartholdy continues, since England did the very same thing in the Sudan. With her dam at Makwar England took the waters from the Nile which were used in the cultivation of cotton and then English cotton mills were no longer dependent upon Egyptian crops. Incidentally the Sudan Plantation Syndicate started growing cotton in the Sudan. And England certainly did not think about asking Egypt before she built the dam at Makwar!

To be sure, he says, England was honest enough to oppose Ethiopia's entry into the League of Nations, which France, however, managed to put through. But in 1926 Italy and England divided the country into "zones" with-

out

out consulting France and although Chamberlain declared in the House of Commons that Great Britain and Italy had no desire whatsoever to force Abyssinia into doing things against her will, the Anglo-Italian exchange of notes of that year and their mutual understanding with regard to industrial and other enterprises in Abyssinia, did make it very clear to the Abyssinians what they might expect from England were they to approach her on the Blue Nile construction questions. Thus it can be explained why Abyssinia's agent preferred first of all to make a contract with an American firm, and then to discuss with England the cotton question in the English Sudan!

When asked if the Abyssinian Government had been informed of the Anglo-Italian agreement, whose publication in the White Book of last year caused such a sensation, and if that Government had agreed to the construction of the Tsana dam, Chamberlain, the article continues, stated that this task had been under consideration since 1902 "by His Majesty's Government or the Government of the Sudan" on the grounds of "assurances" given the English representative by the Emperor Menelik; but that the approval of the Abyssinian Government was still needed for a definite plan of construction. Menelik's promises, however, are said to have been made on the day when the Anglo-Abyssinian Boundary Treaty was concluded, Article III of which contains the Abyssinian promise not to build or permit the building of any dam which might endanger the Nile waters, except with the consent of the English Government; the

treaty

treaty is published but the promise given by Menelik that he was willing to give England permission to construct the dam which he forbids himself and all other countries to do in the published treaty, remained a secret. It is an agreement "in restraint of trade", Mendelssohn Bartholdy argues, and, therefore, as an agreement between honest merchants is null and void according to English Law. But, he asks, are sovereign states honest merchants?

The following paragraph is headed "Enter U.S.A.", and in it Mendelssohn Bartholdy says, that the Anglo-Italian agreement was regarded in the United States as a piece of that kind of European diplomacy which, were it not for the Monroe Doctrine, would make similar "spheres of influence treaties" in Central and South America. We discussed this case of Abyssinia, he continues, at the Institute of Politics in Williamstown in the summer of 1926, and while our English confreres acted very well in several difficult discussions, they were very touchy on this point even then. On November 18, 1926, the DAILY TELEGRAPH announced that the Government of the United States, whose interest was now unfortunately awakened, intended to open a Legation at Adis Abeba "in order to assist American enterprise if necessary"; and that an American syndicate had obtained an oil concession in Western Abyssinia (English "Zone"). Then nothing more was heard from the Americans until the NEW YORK TIMES of November 4 announced that the Abyssinian Government had given a $20,000,000 dol-

lar

lar contract to an American firm for the construction of the Tsana dam which was to regulate inundation in Abyssinia and to affect irrigation in the Sudan. Then indeed, surprise was even greater than indignation in England and Italy!

But, Professor Mendelssohn Bartholdy says in conclusion, it is not a question of whether Menelik made solemn promises to the English Government that they and they alone could build the dam, or whether he merely referred thereto in the informal discussions he had with the English agent preliminary to the treaty which was signed later. The agreement is, he says, if concluded, in no way binding for the Abyssinia of today - first, because it is contrary to good usage; secondly, because it is an alienation of inaliemable rights of sovereignty which as such is invalid; and thirdly, because under English and American leadership the world has arraigned itself against just such secret treaties of exploitation. The question that is important to the world as a whole is not whether the Americans are to build the Tsana dam. But it is of the utmost importance that the Abyssinians may be enabled to free their clear sovereign authority from the meshes of a diplomatic net.

The German text of the article is transmitted as of

1/ possible interest to the Department.

I have the honor to be, Sir,

Your obedient servant,

D. C. Poole

Chargé d'Affaires a.i.

Enclosure:
1. Article.

carbon copies received 1/9

Copy to E. I. C., Paris.

Der Blaue Nil

Von A. Mendelssohn Bartholdy, Hamburg

Wir haben in den letzten Jahren öfters die Erfahrung gemacht, daß amerikanische Konzessionen im fernen Osten, in Vorder- oder Mittelasien und in Afrika nicht so heiß gegessen werden, wie sie in der politischen Presse gekocht sind. Man ist dort drüben in den Vereinigten Staaten eben doch im Grund lässiger (oder nennen wir es weniger scharf) als in der europäischen Industrie, und wenn wir Leute der Alten Welt uns sehr anstrengen, so gelingt es uns meistens doch noch, den Amerikanern die geplante Unternehmung, ob in der Mandschurei oder in Mesopotamien, abzujagen und selber das Gebiet zu „erschließen", das sich dem Weltverkehr öffnen will. So wird es wohl auch mit der Konzession gehen, die nach den Zeitungsmeldungen der letzten Tage — ich schreibe am 7. November — einer großen amerikanischen Firma von der abessinischen Regierung zum Bau eines Staudamms am Tsana-See (Wasser des Blauen Nils) gegeben worden sein soll. Ich glaube nicht, daß irgend jemand von uns die feierliche Einweihung dieses großen und segensreichen Nutzbaus in Abessinien unter den vereinigten Fahnen des alten afrikanischen Kaiserreichs und der Vereinigten Staaten von Amerika erleben wird, und wenn dennoch diese Konzession und der Widerspruch, den sie in England erweckt hat, sehr lehrreich sind, so weniger ihrer Wirklichkeit wegen, die uns wie gesagt sehr zweifelhaft erscheint, als weil sie die englische Konzessionspolitik so gut illustriert.

Die zwei Fragen

Man muß dabei zwei Dinge unterscheiden, die in der Tagespresse, so viel ich sehe, meist durcheinander geworfen werden. Das eine ist die Frage, ob Abessinien als „Oberlieger" am Wasserlauf des Nil durch Dammbauten und Bewässerungsanlagen für sein eigenes Gebiet ohne Mitsprechen der „Unterlieger", des englischen Sudan und Aegyptens, die ihrem Gebiet zufließende Wassermenge künstlich vermindern darf oder ob das Maß der Wasserentnahme durch Vereinbarung zwischen allen Flußanliegern und Nutznießern und, falls sie sich nicht einigen können, nach heutiger Völkerrechtsübung durch einen Schiedsspruch festzusetzen ist. Das ist, wie man sieht, eine Frage des Nachbarrechts, das unter Staatsgebieten dieselben Streitfragen und Lösungen mit sich bringt wie zwischen zwei Bauerngütern, durch die derselbe Gebirgsbach fließt. Die andere Frage aber ist die, ob, wenn Abessinien den Damm auf seinem Gebiet — vielleicht mit der eben angezeigten Beschränkung der Wasserentnahme — bauen darf, es die Konzession nur einer englischen Firma geben darf, oder ob hier eine „offene Tür" für die tüchtigsten Ingenieure und für die am wenigsten politischer Ausbeutungsabsichten verdächtigen Nationen zum freien Eintritt einlädt. Zu diesen Fragen wird einiges Nützliche zu sagen sein.

Das Nachbarrecht

In England (und acht Tage später auch in Aegypten) empört man sich dagegen, daß Abessinien durch den Damm am Tsana-See den englischen Wollpflanzungen in der Gesireh-Niederung (zwischen dem Blauen und Weißen Nil) buchstäblich das Wasser abgraben wolle. Man hat sich ja oft gewundert zu sehen, mit welcher Einfalt der Gesinnung England nach dem Grundsatz handelt: Alles, was du willst, daß dir die anderen nicht tun, das tu du ihnen selbst — und sich dabei offenbar mitten im allerchristlichsten Wandel seines nationalen Lebens zu befinden glaubt. Aber dieser Fall ist doch auch für abgehärtete Beobachter der englischen Art von sachlicher Politik erstaunlich. Denn es ist ja wirklich nicht sehr viel Wasser den Nil hinabgelaufen, seitdem England selbst im Sudan den Aegyptern genau dasselbe angetan hat, was es sich heute von Abessinien so empört verbittet. Der englische Nildamm steht bei Makwar; er nimmt aus dem Nil das Wasser, um die Baumwollpflanzungen zu ernähren, die auf einem vorher völlig unfruchtbaren Gebiet von der Sudan Plantations Syndicate unter der genialen Führung Friedrich Eckstein's angelegt worden sind, um die englischen Spinnereien von der aegyptischen Baumwolle in demselben Maß unabhängig zu machen, in dem Aegypten sich selbst nach dem Krieg von England unabhängig zu machen suchte.[1]) Das Wasserwerk im Sudan nimmt also nicht nur dem tiefer liegenden Aegypten Nilwasser fort, sondern es macht auch der uralten Landesindustrie Aegyptens mit eben diesem abgeleiteten Wasser und der Bodenfrucht, die es erzeugen hilft, Konkurrenz — gar nicht davon zu reden, daß England gerade durch diese Industrialisierung des Sudan dieses Gebiet immer mehr von Aegypten loslöst und auch politische Gegensätze, wo es möglich ist, zu verschärfen sucht.

Der Dammbau im Sudan

Vor dem Dammbau von Makwar hat England nicht daran gedacht, Aegypten um seine Zustimmung zu fragen oder ihm eine gütliche Vereinbarung über die Wasserentnahme für den Sudan anzubieten. Als während des Baus ein politisches Ereignis eintrat, das mit Nilwasser und Spinnereien in Lancashire wirklich nichts zu tun hatte — die Ermordung des Oberkommandierenden der englischen Okkupationstruppen in Aegypten durch einen ägyptischen Nationalisten —, da konnte man in England die Imperialisten überall davon reden hören, daß man nun die Aegpyter mit Hilfe des Makwardammes trocken legen und so viel neue Wollanbauflächen im Sudan schaffen werde, als nötig seien, um der ägyptischen Baumwolle den Weltmarkt wegzunehmen. Es bedurfte der Einsicht, daß sowohl italienisch Eritrea für einen Nebenfluß des Blauen Nil, als Abessinien für den Blauen Nil selbst dieselbe günstige Höhenlage zum Sudan hätten wie der Sudan zu Aegypten, und daß die beiden Regierungen, die sich solcher Gebirgslage erfreuen, ihrerseits schon Staudammprojekte erwogen, um die Sudanregierung zum

[1]) Vgl. meine Aufsätze in: Weltwirtschaftliches Archiv Bd. 24 (1926) S. 22 ff. und Archiv für Sozialwissenschaft Bd. 58 (1927) S. 34 ff., 42.

Einlenken zu bringen.[1]) Sie hat dann im Verhältnis zu Aegypten ein Schiedsverfahren vorgeschlagen und durchgeführt, das die Wasserentnahme im Sudan unter billiger Abwägung des alten ägyptischen Besitzstands und des neuen Kulturwerks von Gesireh geregelt hat; mit Italien aber hat England sich auf dem Rücken Abessiniens zu verständigen gesucht.

Die englische und die italienische „Zone" in Abessinien

Abessinien ist ein souveräner Staat. Sein Bestand ist durch ein italienisch-englisch-französisches Abkommen von 1906 — die drei Nachbarn Abessiniens — ausdrücklich gewährleistet. Aber Abessinien besteht als souveräner Staat nicht eben nur von seiner Nachbarn Gnaden, die sich ja erst in der neuesten Zeit mit Hilfe der modernen Waffentechnik so weit nach Afrika hineingebohrt haben, sondern es ist auch Mitglied des Völkerbundes und sollte als solches nicht nur gegen einen Angriff im engern Sinn geschützt sein, sondern auch dagegen, daß andere Mitglieder des Völkerbundes sein Gebiet in Einflußzonen einteilen. England war ehrlich genug, der Aufnahme Abessiniens in den Völkerbund Widerstand zu leisten, und unehrlich genug, einen Presselärm über die Sklaverei in Abessinien zu inszenieren[2]), damit es die moralische Entrüstung zum Grund der Ablehnung in Genf nehmen könne. Aber Frankreich hat die Aufnahme Abessiniens durchgesetzt.[3])

Als nun im Frühjahr 1926 aus den oben erörterten Gründen England sich mit Italien über die Teilung Abessiniens in eine östliche italienische und eine westliche englische Zone unterhielt, ließen diese beiden Siegermächte wiederum Frankreich wohlweislich beiseite; sie mochten auch glauben, daß Frankreich, da es durch die Mittelmeerabkommen von 1902 und 1904 in ziemlich unmittelbarer Folge nicht nur Marokko, sondern auch Elsaß-Lothringen und Kamerun erhalten hatte, damit zufrieden sein und sich aus der östlichen Hälfte Nordafrikas zurückhalten werde. Jedenfalls waren es Chamberlain und Mussolini allein, die in einem vertragsartigen, deshalb auch beim Völkerbund hinterlegten und am 24. Juni 1926 als Weißbuch veröffentlichten Notenwechsel „respecting Lake Tsana" — respect heißt hier natürlich nicht etwa respektieren, sondern nur betreffen — dahin geeinigt haben, daß Italien und England sich alle Wasserkraftkonzessionen in Abessinien unter Ausschluß jeder anderen Macht gegenseitig zuschanzen und den Einwohnern des Landes selbst ebenfalls verbieten wollten, Bewässerungsanlagen zu errichten und zu benützen, es sei denn „für die Bestellung der zu ihrem eigenen Lebensunterhalt notwendigen Felder (food crops)". (Note des englischen Botschafters in Rom an Mussolini: vom 14. Dezember 1925.[4])

Das Aufsehen, das, nicht zuletzt in Frankreich, über diesen Aufteilungsplan entstand, und die Absicht Abessiniens, die Sache vor den Völkerbund zu bringen, veranlaßten Chamberlain zu der feierlichen Erklärung im Unterhaus, daß die Vereinbarung mit Italien keine wirtschaftliche Aufteilung Abessiniens bezwecke, daß keinerlei Zwang gegen Abessinien beabsichtigt sei und daß es im freien Entschluß der abessinischen Regierung liegen werde, zu tun, was sie zum Besten ihres Landes für das Richtige halte; der Generalsekretär des Völkerbundes hat die abessinische Rechtsverwahrung höflich zur Kenntnis genommen und ihr sogar, obgleich sie nur einseitig abgegeben war und keinen Vertragscharakter trug, eine Notiz im Recueil des Traités zugelegt, in dem ja die anglo-italienische Harmlosigkeit auch Aufnahme gefunden hatte. Aber es ist doch von diesem Vorstoß und Rückzug etwas mehr übrig geblieben als eine solche Aktennotiz: Abessinien weiß jetzt, was es sich zu erwarten hat, wenn es freundnachbarlich an England herantritt, um mit ihm das zulässige Maß der Wasserentnahme aus dem Blauen Nil zu besprechen. So erklärt es sich, daß der Agent Abessiniens lieber zuerst einen Vertrag über die Errichtung des Damms mit einer amerikanischen Firma geschlossen hat — und erst nachher an England gehen wird, um von dieser Position aus die Wollinteressen des englischen Sudan an sich herankommen zu lassen.

„In restraint of trade"

So viel über das Recht Abessiniens, überhaupt auf seinem Gebiet Wasserstauanlagen zu errichten — über den Vertrag von 1902 wird unten noch zu sprechen sein. Aber wenn man nun die Wirtschaftsverhandlungen verfolgt, die in den letzten beiden Jahren um den Bau des Tsana-Dammes geführt wurden, so gewinnt die Frage ein anderes Aussehen. Denn diese Verhandlungen bestehen in einem hartnäckigen Dringen Englands darauf, daß Abessinien eben den Damm, den es jetzt angeblich an die Amerikaner vergeben hat, durch England bauen lasse, und in einer ebenso hartnäckigen passiven Resistenz Abessiniens dagegen. Als inmitten der Sensation des Weißbuchs vom Sommer 1926, am 2. August, Ponsonby im Unterhaus die Frage an Chamberlain stellte, ob der abessinischen Regierung von den englisch-italienischen Abmachungen Kenntnis gegeben worden sei und ob sie dem Bau des Dammes am Tsana-See zustimme, antwortete Charmberlain, dieser Bau

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[1]) Vgl. Weltwirtschaftliches Archiv a. a. O. S. 26.
[2]) Vgl. z. B. Times vom 12. Dezember 1922.
[3]) Vgl. Europäische Gespräche 1926 S. 488.
[4]) Der Notenwechsel ist deutsch veröffentlicht in Europäische Gespräche 1926 S. 488 ff, der abessinische Einspruch ebenda S. 551 ff. Der entscheidende Passus im Notenwechsel lautet: „Mit diesem Ziel im Auge sollen an den britischen Vertreter in Aethiopien die notwendigen identischen Instruktionen zu gemeinsamem Vorgehen bei der abessinischen Regierung gesandt werden, damit die von den Regierungen Großbritanniens und Italiens gewünschten Konzessionen hinsichtlich des Tsana-Sees und des Baus einer Verbindungsbahn zwischen Eritrea und Italienisch-Somaliland (nordsüdlich quer durch ganz Abessinien) gleichzeitig erlangt werden. Es wird das Einverständnis darüber gewahrt, daß, falls die eine der beiden Regierungen die nachgesuchte Konzession sich sichert, während der anderen Regierung das nicht gelingt, diejenige Regierung, welcher Genüge getan worden ist, in ihren großmütigen Bemühungen, eine entsprechende Genüge für die andere interessierte Regierung zu erlangen, nicht nachlassen wird." Erhält also England die Tsana-Konzession, so ist es sofort verpflichtet, vermöge des Einflusses, den ihm das Werk in Abessinien gibt, nun auch die italienische Eisenbahnkonzession durchzusetzen, und dann wäre es mit der Unabhängigkeit Abessiniens rettungslos vorbei.

„by His Majesty's Government or the Government of the Sudan" sei schon seit 1902 auf Grund von Zusicherungen (assurances) vorgesehen, die Kaiser Menelik damals dem britischen Abgesandten gegeben habe, es fehle aber noch die Zustimmung der abessinischen Regierung zu einem bestimmten Bau-Entwurf[1]). Menelik's Versprechen soll vom selben Tag herrühren wie der anglo-abessinische Grenzregelungsvertrag[2]), der im Artikel III das abessinische Versprechen enthält, keinen Damm zu bauen oder bauen zu lassen, der den Wasserabfluß in den Nil gefährde, außer mit Zustimmung der englischen Regierung; der Vertrag ist veröffentlicht[3]), die Zusage des Kaisers, daß er den Bau Dämmen er sich selbst und allen anderen Staaten in dem veröffentlichten Vertrag verbietet, an England vergeben wolle, ist geheim geblieben. Es ist ein Versprechen in restraint of trade, als Vertrag zwischen ehrlichen Kaufleuten nach englischem Recht deshalb zweifellos null und nichtig, um so mehr als über eine Gegenleistung Englands nichts bekannt ist. Aber, wird man entgegnen wollen, sind denn Souveräne ehrliche Kaufleute? Kann man an ihre Transaktionen den Maßstab anlegen, den das englische Recht — gewiß ein Recht weitgehender Vertragsfreiheit — an Verträge zwischen einfachen Menschen anlegt? Auch darüber wird zum Schluß noch etwas zu sagen sein.

„Enter U. S. A."

In den Vereinigten Staaten ist die anglo-italienische Vereinbarung über Abessinien sogleich als ein Stück jener europäischen Diplomatie angesehen worden, die, in den Augen der Amerikaner, der Monroe-Doktrin ihr Recht gibt; hielte man sich nicht streng an sie, so würden eben auch die mittel- und südamerikanischen Staaten zum Gegenstand solcher Einflußzonen-Verträge gemacht werden. Wir haben uns im Institute of Politics in Williamstown im Sommer 1926 eingehend über diesen Fall Abessinien unterhalten[4]), und während die englischen Teilnehmer sich sonst weltmännisch in manchen Tadel fanden, den ihnen die ältere und die jüngere Welt in den Round Table-Diskussionen zu hören gab, waren sie in diesem Punkt schon damals sehr empfindlich. Am 18. November 1926 ließ sich der Daily Telegraph von seinem diplomatischen Vertreter berichten, die Regierung der Vereinigten Staaten, deren Aufmerksamkeit nun unliebsam geweckt sei, wolle in Adis Abeba eine ständige, vollwertige Gesandtschaft errichten „in order to assist American enterprise if necessary"; auch habe ein amerikanisches Syndikat die Konzession zur Ausbeutung eines Ölfelds in Westabessinien (englische „Zone") erhalten. Aber während von den englischen und italienischen Absichten auf Abessinien dann immer wieder die Rede war — im Juli 1927 war es der Besuch des Herzogs der Abruzzen, im August ein neues englisches Memorandum über die Errichtung des Tsana-Dammes[1]) — blieben die Verhandlungen zwischen Abessinien und den Vereinigten Staaten doch ziemlich unbemerkt[2]), und als die New York Times am 4. November mit der Nachricht herauskamen, die abessinische Regierung habe einer großen metallurgischen Firma von New York die Errichtung des Dammes am Tsana-See mit einem Kostenanschlag von 20 Millionen Dollars übertragen, der Damm solle den Überschwemmungen in Abessinien steuern und im übrigen zur Bewässerung des Sudan beitragen, da war in England und Italien die Überraschung noch größer als der Unwille. Zwar hatte Chamberlain damals im Unterhaus gesagt, es würde die englisch-italienischen Verhandlungen „nicht gefördert" haben, wenn man der abessinischen Regierung etwas von ihnen gesagt hätte; aber daß die abessinische Regierung nun ihrerseits etwa finden könnte, es sei ihren Verhandlungen mit Washington nicht förderlich, wenn sie England vor dem Abschluß etwas davon wissen ließe, das hätte man doch nicht für möglich halten sollen.

Die Heiligkeit der Verträge

Und nun auch noch eine so offenbare Verletzung des Heiligsten, eines Staatenvertrags! Ob Kaiser Menelik wirklich im März oder Mai 1902 der englischen Regierung feierlich versprochen hat, er werde nur sie allein und niemand sonst dieses offenbar größte Nutzbauwerk seines Landes, ja ganz Nordostafrikas, bauen lassen, oder ob er nur bei den Vorverhandlungen über den später abgeschlossenen Vertrag dem englischen Unterhändler solche freundlichen Aussichten unverbindlich eröffnet hat, soll jetzt hier nicht erörtert werden. Wir wollen das erste annehmen.

Aber hat die englische Regierung denn wirklich den Mut, bei einer solchen Abmachung heute, nach dem Krieg, im Jahre 1927, mit der ewigen Gültigkeit und sakrosankten Natur der Verträge zu kommen? Die Abmachung ist, wenn sie stattgefunden hat, ohne alle verbindende Kraft für das heutige Abessinien, erstens weil sie gegen die guten Sitten verstößt, zweitens weil sie eine Veräußerung unveräußerlicher Souveränitätsrechte enthält, die als solche ungültig ist, und drittens weil unter englischer und amerikanischer Führung die Neuordnung der Welt erkämpft worden ist, um gerade solche geheimen Ausbeutungsverträge, die dem gleichen Recht aller Staaten ins Gesicht schlagen, unmöglich zu machen.

Damit reden wir nicht der clausula rebus sic stantibus das Wort und vollends nicht einer Machttheorie, die jeden Vertrag nur halten will, solange der eigene Vorteil es gebietet. Aber gerade der vernünftigen, redlichen Vertragstreue

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[1]) Parliamentary Debates 198 H. C. 2629.

[2]) Nach anderen Quellen sei das Versprechen am 15. März gegeben; der Vertrag ist am 15. Mai geschlossen.

[3]) U. a. bei Martens und in der entsprechenden englischen Sammlung von Hertslet; auch im Staatsarchiv Bd. 68 S. 229.

[4]) A. Mendelssohn Bartholdy, The European Situation (Institute of Politics Publications, Williamstown 1926) S. 73 ff. — Europäische Stimmen aus jener Zeit, z. B. Journal des Débats 28. Juni 1926, Manchester Guardian 2. Juli (The Old Diplomacy in Abyssinia), Corriere della Sera 29. Juni, Der Oesterreichische Volkswirt 3. Juli 1926.

[1]) Vgl. u. a. Neue Zürcher Zeitung vom 9. Juli, Journal de Genève vom 11. August, Corriere della Sera vom 17. August, Times vom 19. August.

[2]) Allerdings meldet Times vom 25. Mai 1927 aus Washington einen Aufruf des Handelsdepartements an das amerikanische Kapital, sich für Abessinien zu interessieren, mit dem Bemerken, dadurch sollte wohl den bisher fehlgeschlagenen Bestrebungen zur Errichtung einer amerikanischen Gesandtschaft in Adis Abeba eine Stütze gegeben werden.

schadet, wer die Anfechtung fauler Verträge verhindern, wer Verträge jeder Nachprüfung entziehen und materielles Unrecht, das in ihnen enthalten ist, um der Form willen verewigen will. Nicht daß die Amerikaner den Tsana-Damm bauen, ist für alle Welt wichtig, wohl aber, daß die Abessinier ihr klares Recht der Herrschaft im eigenen Gebiet aus der Verstrickung eines diplomatischen Netzes frei zu machen vermögen.

Stabilisierung der französischen Währung

Von Dr. Ernst Stern

Seit Ende vergangenen Jahres ist die französische Währung de facto stabil. Aber diese Stabilität ist von der Einsicht und dem guten Willen des französischen Ministerpräsidenten abhängig. Kurzfristige Anlage ist deshalb so begehrt, weil Privatdiskonte etwa 2 % erbringen. Französische Franc-Anleihen sind dagegen bei einem dreifachen Satze nur von einem Teilerfolg begleitet. Das Land strömt über von Geld und findet in diesem Überfluß kein Geld für langfristige Anlage. Französische Nationalökonomen geben als Grund der Zauderpolitik des Herrn Poincaré folgendes an: Die kurzfristigen Verbindlichkeiten des Staates seien zur Zeit noch so groß, daß jedes ungünstige politische Ereignis, z. B. „rote" Wahlen, zu einer Kündigung kurzfristiger Verbindlichkeiten führen und den Staat zwingen könne, zur Einlösung die Notenpresse zu Hilfe zu nehmen. Solange die kurzfristigen Verbindlichkeiten nicht konsolidiert seien, sei eine endgültige Stabilisierung nicht möglich. Diese Auffassung kommt deutlich in dem Aufsatz von Claoué: „Poincarés Finanzreform" in Nr. 4 dieses Blattes zum Ausdruck. Wir haben also die Lage: Frankreich kann seine kurzfristigen Schulden nicht konsolidieren, weil nicht zweifelsfrei stabilisiert ist, es kann nicht zweifelsfrei stabilisieren, weil es seine kurzfristigen Schulden nicht konsolidiert hat.

Der Widerspruch besteht, aber er ist nicht notwendig. Die französische Regierung kann heute bereits den Franc endgültig stabilisieren ohne jede Rücksicht darauf, wie die französischen Wahlen ausfallen. Die Kapitalflucht und die Flucht aus den kurzfristigen Verbindlichkeiten des Staates mag so stark werden, wie sie will, sie ist nicht fähig, die Stabilität des Franken zu gefährden, wenn die Banque de France es nicht will. Denn der Status der Bank von Frankreich und die Lage des französischen Tresors sind so günstig geworden, daß sie gemeinsam jedes Verlangen auf Rückzahlung der schwebenden Schuld, das ein verängstigtes Publikum stellen könnte, mit barem Geld befriedigen können, ohne einen einzigen Franc mehr in Umlauf zu geben. Die Gold- und Silberbestände, die die Bank von Frankreich mit rund 5,9 Milliarden Frs. ausweist, sind in Wirklichkeit etwa 30 Milliarden Papierfranken wert. Außerdem besitzt die Banque de France etwa 2,3 Milliarden Frs. ausgewiesene und etwa 20 Milliarden unter „Divers" verbuchte, nicht ausgewiesene Devisen.

Ausweis der Banque de France vom 10. November 1927

	wie er ausgewiesen wird		wie er nach einer Stabilisierung 1 : 5 ausgewiesen würde	
	in Milliarden Fr.			
Aktiva:				
Gold im Inlande	3,7		18,5	
Gold im Auslande (frei verfügbar)	0,5		2,5	
Gold im Auslande (nicht frei verfügbar)	1,4		7,0	
Silber	0,3	5,9	1,5	29,5
Disponibilitäten u. Guthaben im Auslande (ohne diejenigen bei der russischen Staatsbank)	0,056		0,280	
Gold- u. Devisenkäufe (nach dem Gesetz vom 7. 8. 1926)	2,3		2,3	
Wechsel	1,5		1,5	
Vorschüsse auf Effekten . . .	1,8		1,8	
Vorschüsse an den Staat . . .	25,4		25,4	
Bons du Trésor (f. Staatsvorschüsse an fremde Regierungen v. 1915, 17 u. 18) .	5,8		5,8	
Diverse Aktiva (hierunter ca. 20 Milld. Frs. Devisen) . .	24,5		24,5	
Sonstiges (einschl. Immobilien)	1,1		1,1[1])	
Sa.	68,4		92,2	
Passiva:				
Noten im Umlauf	55,9		55,9	
Guthaben	10,4		10,4	
Sonstige Passiven (einschl. Nom.-Kapital u. Reserven)	2,1		2,1	
Stille Reserve	—		23,8	
Sa.	68,4		92,2	

[1]) Von einer Aufwertung der Immobilien ist der Einfachheit halber Abstand genommen worden.

Die Manövermasse an Gold und Devisen, die die Bank von Frankreich einem verschüchterten Publikum entgegensetzen könnte, beträgt danach 52 Milld. Frs., wenn man das nicht frei verfügbare Golddepot absetzt, noch immer 45 Milld. Frs., während der gesamte Notenumlauf nur 56 Milld. Frs. beträgt. Würden — was praktisch unmöglich ist — für sämtliche Guthaben Noten verlangt werden, so würde der Notenumlauf bis auf höchstens 66,4 Milld. Frs. steigen können.

Wieviel aber könnte das Publikum im ungünstigsten Falle dem Staate präsentieren? Aufschluß hierüber gibt ein Aufsatz des Senators François Milan, des Präsidenten des Finanzkomitees der französischen Amortisationskasse („Matin" vom 5. 10. 1927), der Bericht über die Ausschußverhandlungen in der Kammer (nach „Temps" vom 19. 10. 1927) und ein weiterer Artikel des „Temps" vom 24. 10. 1927. Milan erklärt, daß die französische Regierung etwa 44,5 Milld. Frs. kurzfristige Verpflichtungen in Form von Bons de la Défense Nationale besitze, daß aber hiervon nur 31 bis 32 Milld. Frs. eine Laufzeit bis zu einem Jahre haben. Die Amortisationskasse verfüge über Bankguthaben in Höhe von 8,24 Milld. Frs. Die Umwandlung von einjährigen Schatzscheinen in zweijährige Schatzscheine und die Ansammlung von Bankguthaben gehe planmäßig vor sich. Wenn keine Zwischenfälle eintreten, würden bis Mitte 1928 sämtliche einjährigen Schatzscheine in zwei- und mehrjährige umgewandelt sein. Nach dem Bericht über die Kammerausschuß-Verhandlungen werden von den 8,24 Milld. Frs. Bankguthaben etwa 7 Milld. bei der Banque de France unterhalten, machen also den größten Teil der Giroguthaben des Noteninstitutes aus, und nach dem „Temps" weitere 1,2 Milld. Frs. beim Trésor. Der Trésor hat seiner-

DEPARTMENT OF STATE
DEC 8 1927
Division of
Foreign Service Administration

DEPARTMENT OF STATE
DEC 7 1927
OFFICE OF
NEAR EASTERN AFFAIRS

Box 246,
Westmoreland, Kansas,
December 1, 1927.

U. S. Consular Service,
Washington, D. C.

Gentlemen:

If possible I would like to have some information about Abyssinia. Not long ago there was an Abyssinian, Dr. Martin, in this country to negotiate a loan for the building of a dam across the Blue Nile in the northwestern part of Abyssinia.

Could you tell me if this loan was completed? And if it was has there been an engineering company chosen for the preliminary survey or the construction of this dam and who they are.

I would very much appreciate this information and if you do not have it could you tell me to whom to write to obtain it.

Yours very truly,

W. H. Douglas

W. H. Douglas

DEPARTMENT OF STATE
DIVISION OF
NEAR EASTERN AFFAIRS
DEC 7 1927
FILED

884.6461 File

884.6461-Loans
Dam/32

December 6 1927.

I am, Sir,

Your obedient servant,

For the Secretary of State:

S. Rowland Shaw

Chief, Division of Near Eastern Affairs

CR
Dec. 6. 1927.

A true copy of the signed original.

December 6, 1927

In reply refer to
NE

Mr. W. H. Douglas,
Box 246, Westmoreland,
Kansas.

S i r:

The Department has received your letter of December 1, 1927 inquiring regarding the recent negotiations between Doctor W. C. Martin, representing the Ethiopian Government, and an American engineering company with respect to the construction of a proposed dam on the Blue Nile at Lake Tsana.

In reply, I may inform you that the American company with which Dr. Martin discussed this matter was the J. G. White Engineering Corporation, 43 Exchange Palace, New York City, and that, in so far as the Department is aware, no loan for the financing of the project or final agreement with respect to the construction of the dam has been concluded.

I am, Sir,

Your obedient servant,

CR
Dec. 6. 1927.

For the Secretary of State:

G. Howland [illegible]

NE GW/LVD

Chief, Division of Near Eastern Affairs.

884.6461-Loans/32

DOCUMENT FILE

NOTE

SEE 883.9111/109 FOR Despatch #119

FROM Egypt (Winship) DATED Nov. 19, 1927
TO NAME

1—1127 GPO

REGARDING: Blue Nile project. Statement of Sir Austen Chamberlain, in which he referred to exchange of notes in 1902 whereby Emperor Menelik gave preference to proposals of British and Sudan Governments and affirmed he had no intention of granting concession on Blue Nile or Lake Tsana to any other than British Government.

INDEX BUREAU
8.84. 6461 - Tsana dam / 33

fp

DOCUMENT FILE

NOTE

SEE 841.00/1085 FOR #2289

FROM Great Britain (Atherton) DATED Nov.21,1927
TO NAME

1—1127 GPO

REGARDING: Clamor raised over report of contract being signed for construction of dam across the Blue Nile has died down. Quotes excerpts from statements by Abyssinian representative and Sir Austen Chamberlain regarding progress of negotiations between the British and Abyssinian Government for construction of this dam.

8844, 6461 - Dana

dam /34

Dra

Abyssinia.

The clamor raised here over the report that a contract had been signed between the J. G. White Engineering Corporation and a representative of the Abyssinian Government for the building of a dam across the Blue Nile has now completely died down. The remarks of Dr. Martin, the Abyssinian representative, upon his arrival in London and those of Sir Austen Chamberlain in the House of Commons on November 8th have already been forwarded to the Department. Sir Austen Chamberlain on November 14th, in a written statement regarding the progress of negotiations between the British and the Abyssinian Governments for the building of this dam, stated "The present position is that on September 22nd the Regent of Abyssinia addressed to His Majesty's representative at Addis Ababa a reply to the proposal which His Majesty's Government had made to him last May. I have recently instructed Mr. Bentinck by telegram to address a note to Ras Taffari which will carry these negotiations a step farther."

AS/

As to the negotiations with the New York firm, Sir Austen stated further that he had nothing to add to his previous statement "except that I should perhaps have mentioned that, by an exchange of notes between Sir John Harrington and M. Alfred Ilg in 1902, the Emperor Menelik undertook that, other things being equal, preference would be given to the proposals of His Majesty's Government and the Government of the Sudan, and affirmed that he had no intention of granting a concession in respect of the Blue Nile and Lake Tsana to anyone other than His Majesty's Government, the Government of Sudan or one of their subjects."

THE J.G.WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES
J. G. WHITE AND COMPANY, INCORPORATED
THE J. G. WHITE MANAGEMENT CORPORATION
J. G. WHITE AND COMPANY, LTD., LONDON
THE ENGINEERS CORPORATION

CABLE ADDRESS
WHITENGCO, NEW YORK
A.B.C. 5TH AND 6TH
WESTERN UNION
SCOTT'S 10TH
BENTLEY'S

December 1, 1927.

DEPARTMENT OF STATE
DEC 12 1927
DIVISION OF NEAR EASTERN AFFAIRS

Mr. G. Howland Shaw, Chief,
Division of Near Eastern Affairs,
Department of State,
Washington,
D.C.

Sir: LAKE TSANA PROJECT - ABYSSINIA.

Beg to acknowledge receipt of your letter of the 29th ultimo, informing us that you forwarded to the newly appointed American Minister Resident to Ethiopia, copy of our letter of November 25th with press clippings on the above subject, for which please accept our thanks.

If you will be kind enough to forward the two attached clippings, it will be appreciated.

Respectfully,

E. N. Chilson
Vice President.

ENC M

ENCL.

INDEX BUREAU
DEC 13 1927
FILED

884.6461

No.

December 9, 1927.

The Honorable

Addison E. Southard,

Appointed Minister Resident and Consul General

of the United States to Ethiopia,

In care of the American Consulate General,

Singapore, Straits Settlements.

Sir:

Referring to the Department's instruction of November 29, 1927, enclosing a collection of press clippings from the J. G. White Engineering Corporation of New York on the subject of its recent negotiations with respect to the construction of the proposed dam on the Blue Nile at Lake Tsana, the Department encloses two additional clippings received from the company under cover of a letter requesting that they should be forwarded to you.

An extract from the weekly report of the Embassy in London dated November 7, 1927, is also enclosed for your information in this matter. 841.00/1081

I am, Sir,

Your obedient servant,

For the Secretary of State:

Enclosures:
As above stated.

W. R. CASTLE, JR.

884.6461/1-Tsana Dam/35a

NE GW/GC

CR

841.00/1081

I [illegible] the signed original.

EXTRACT FROM WEEKLY REPORT OF LONDON EMBASSY

DATED NOVEMBER 7, 1927.

Abyssinia.

The acute concern of the British in all matters connected with the Near East and all countries associated in that area was vividly illustrated during the week under review when the first reports from New York were published here that the J. G. White Engineering Corporation of New York had "practically" concluded negotiations with the Abyssinian Government to build a dam across the Blue Nile in Abyssinia. The first report received was somewhat confused but in any event it served the purpose of causing a deluge of somewhat indignant comment in the London newspapers. Attention was almost immediately called to Article III of the Treaty of Adis Ababa between Great Britain and Abyssinia, dated May 15, 1902, in which the Emperor Menelek engaged himself "towards the Government of His Britannic Majesty not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tsana, or the Sobat, which would arrest the flow of their waters into the Nile except in agreement with His Britannic Majesty's Government and the Government of the Sudan." Towards the end of the week it was discovered that the arrangement between the American concern and Dr. Martin, the Abyssinian envoy recently in America, was a tentative one and subject to the approval of the Abyssinian Government and to an agreement, to be later arranged, between Abyssinia, Great Britain and Egypt, and the excitement thereupon died away to a considerable extent. The concensus of opinion here is that the British Government will not officially object to the construction of the dam by an American concern

but

but that it will have considerable to say about the control of the dam when completed.

Submitted in quintuplicate.

LEGATION OF THE
UNITED STATES OF AMERICA

No. 114.

Cairo, Egypt,
November 12, 1927.

SUBJECT; Lake Tsana Dam Proposal.

For Distribution to:

Embassy London
Consulate Aden

Copy transmitted by the Commercial Office (A-C/U)
To Aden

The Honorable,

The Secretary of State,

Washington, D.C.

Sir,

I have the honor to refer to my cable of November 7th, number seven, reporting great local interest and certain anxiety regarding the alleged contract with White and Company for the construction of a dam at Lake Tsana; and to acknowledge with expressions of appreciation the Department's cable of November 8th, number twenty-eight, giving the facts in the matter for my information and guidance.

The first REUTER despatch indicated, as shown in last week's press report, (covering despatch No. 108, of November 7th), that negotiations had been practically concluded between the Ethiopian Government and the J.G. White Engineering Corporation of New York, to build a dam across the Blue Nile at Lake Tsana and sell the Nile water to..

to the Sudan and Egypt. Although Later despatches stated that the Anglo-Abyssinian Treaty of 1902 would have to be considered, and that well informed circles in London were sceptical, it also appeared that the above details of the contract were confirmed and that same was entered into with the full knowledge of the American Government.

Considerable excitement and anxiety was at once evidenced in Egyptian official and newspaper circles. Cables were sent to the Egyptian Legation in Washington and London for details, following a special meeting of the Council of Ministers; Sarwat deferred his departure from London and Paris to further discuss the matter; and much time was given to conjecture on the possible results of such a project, and what steps might be taken to protect Egypt's interests. From a British point of view the affair was well timed, in fact the KAWKAT-el-SHARK (Wafd) refers to it as "A manoeuvre by which England wished to weaken the position of Egypt in the negotiations to solve the pending questions.". It was undoubtedly of distinct stratigic advantage to the British that at this time the attention of the Egyptian press and public should be diverted from such matters as the opening of Parliament and the airing of grievances to that of a menaced water supply. This obviously gave Premier Baldwin, in his Guildhall speech, an opportunity to emphasize more than ever the importance to Egypt of British help and friendship.

The Arabic and French editorial writers let themselves go in discussing the Dam and the proposed sale of water, "Egypt's water" to the Sudan and Egypt". Above all they criticised the Egyptian Government for its procrastination in obtaining guarantees for the unhampered flow of the Blue Nile waters to Egypt, either by treaties with Ethiopia and England, or through the construction of a dam wholly or partly controlled by the Egyptian Government. It was pointed out sarcastically

that..

that now against its will Egypt had no choice but to appeal to England for protection.

There was, however, no unfriendly feeling expressed toward America, although a lurking fear was evidenced as regards the danger of a new political influence in Ethiopia, with America linked with England in a combine to control the head waters of the Blue Nile, to the exclusion of Egypt.

Official and press cables now give the assurance that treaty rights will be regarded, and that England and Egypt will be consulted before the Ethiopian Government concludes an agreement or signs a concession or contract. The keen interest and anxiety in the matter have therefore subsided as quickly as they arose; and it is generally conceded that Dr. Martin was correct in stating that the whole question of the Dam has from the first been misunderstood, and caused a tempest in a tea-pot.

It must be observed, however, that a profound impression has been made throughout Egypt, and it is generally believed, with the MOKATTAM, that "Egypt should join in the political arena and defend its vital interests."

I have the honor to be, Sir,

Your obedient servant,

North Winship.

North Winship,
Chargé d'Affaires ad interim.

RECD

DEC 20 1927

DIVISION OF NEAR EASTERN AFFAIRS

NO. 10

AMERICAN CONSULATE,

Aden, Arabia, November 23, 1927.

DEC 17 27

SUBJECT: The Blue Nile Dam.

1—1066

DEPARTMENT OF STATE
DEC 1927
DIVISION OF
WESTERN EUROPEAN AFFAIRS

yes no

Distribution

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

INDEX BUREAU
DEC 17 1927
DEPARTMENT OF STATE

Gpo 844.6461-Loans/37

JAN 13 1928

SIR:

I have the honor to transmit, as of possible interest to the Department, several extracts from the press relating to the Tsana Dam project and Dr. Martin's reported overtures during his recent visit to the United States.

The extracts in question are taken from "The Near East and India", "East Africa", and "Reuter's Telegrams".

I venture to submit also, in the way of comment, certain impressions gained from a perusal of the recent diplomatic correspondence between Great Britain, Italy and Abyssinia, and from a conversation with Mr. Bentinck, His Britannic Majesty's Minister at Addis Ababa, which took place at Aden on the day preceding the publication of the news of Dr. Martin's American proposals.

"THE NEAR EAST AND INDIA"

"November 10, 1927.

"Lake Tana

"After Mayor Thompson of Chicago, anything may happen in America, and perhaps an attempt on the part of an American engineering company to cut in between Egypt and the Sudan and their water supply constitutes a "good second", without

the

the humour attaching to "Big Bill". For the moment there is no need to take either the Mayor or the J. G. White Engineering Corporation too seriously. Following upon the discovery of Great Britain by the former, the latter has discovered Abyssinia and the Blue Nile, and nothing would appear more natural to pioneers in geography than the proposal to build a dam at Lake Tana to regulate the waters of one arm of the river that constitutes the life-blood of Egypt and the Sudan. Unfortunately for the American project, however, the question of the regulation of the head waters of the Blue Nile is governed by a treaty of long standing between Abyssinia and Great Britain by which the Abyssinian Government has bound itself not to construct nor to allow to be constructed any work across the river or Lake Tana which would arrest the flow of the waters, except in agreement with the Governments of Great Britain and the Sudan. It is only fair to the American corporation to suppose that, when it first entered upon the negotiations, it had never heard of the Anglo-Abyssinian Treaty of May 1902, and that it was not considered by the Abyssinian representative to be his duty to enlighten the Corporation regarding certain little obstacles that it would be the latter's business to overcome. The event proves, however, that with of the White Engineering Corporation was father to the thought. It was approached on the subject of constructing a dam at Lake Tana, but not with any idea of a firm contract, without reference to Abyssinia's treaty obligations."

Abyssinia's Part.

"One upshot of this incident is likely to be the appointment of an American representative at Addis Ababa. Since the death before the War of their Consul, the United States have not been represented at Addis Ababa, but have had the interests of the few Americans visiting Abyssinia looked after by the British Legation. Recently, however, efforts have been made on both sides to bring the United States and Abyssinia into closer relationship. American capitalists have been invited to pay attention to "an almost virgin field", and the visit of the Abyssinian representative, Dr. Warnegh Martin, to the United States must be connected with this movement. It is unfortunate that the first business agreement to materialise should step on prohibited ground. The entreprise of the American engineering company, however, is to be welcomed, as it has revealed the fact that the Abyssinian Government, which must have been aware of the way in which Dr. Warnegh Martin was spending his time in the United States, has abandoned its objections to the construction of a dam at Lake Tana. Hitherto it has always felt unable to agree to the scheme, which the enlightened Regent, Ras Taffari, has supported, owing to the risk of antagonising Church and local interests, which affected to be prejudiced by such a project. The ground would seem now to have been cleared for agreement between Great Britain and Abyssinia for the carrying out of an undertaking, the details of which have long been decided upon. British diplomacy, it is to be hoped, will know how to take advantage of this change of attitude at Addis Ababa.

With regard to the two preceding extracts, it seems pertinent to make the following brief observations.

1. The assumption of the Press that Dr. Martin's purpose was to outwit Great Britain by concealing Abyssinia's British obligations from the American Corporation, is disproved by Mr. Bentinck's statement to me that Dr, Martin had discussed with him some time previous to the latter's visit to the United States a plan for American construction and finance of the Tsana Dam. (Despatch No. 5 of November 4, 1927). The British Minister even went so far as to state that personally he could assign no other reason for Dr. Martin's visit. As it seems difficult to believe that Mr. Bentinck could have failed to report to London information of such importance, the surprise which the British press expresses at Dr. Martin's move must necessarily be regarded as unenlightened.

The characterization of Dr. Martin's proposals as "an extravagant bluff, staged in the naive hope of trapping Great Britain" (see extract from "East Africa" on subsequent page), must also, under the same logic, be regarded as unenlightened. Had Dr. Martin planned to trap Great Britain, he surely would not have discussed his scheme previously with His Britannic Majesty's Minister at Addis Ababa.

2. British editorial opinion, when it refers to the "discovery" of Abyssinia and the Blue Nile by the White Engineering Corporation and makes use of such a phrase as "pioneers in geography", is obviously unaware that in official British circles peculiar significance was attached to the hoped-for influence of the United States as a means toward

obtaining

obtaining the long-desired Tsana Dam. Mr. Bentinck tacitly admitted to me that he hoped the presence of an American representative in Addis Ababa would act as a reassuring influence upon the Ras and so contribute materially to the realization of British plans on the Blue Nile.

3. The editorial conviction that Dr. Martin's overtures in the United States may be taken as representing an abandonment of Abyssinian objection to the dam, and that the path is now made easy for British diplomacy, cannot but appear as a "most lame and impotent conclusion". The one great objection to the construction of the dam has always been the fear of British penetration, and this fear Dr. Martin's trip to the United States, if correctly reported in the Press, has served to confirm rather than refute.

It is true that one of the objections previously put forward was the fear that the construction of the dam might result in the inundation of certain monasteries on the islands of the Blue Nile, and while this objection may now probably be regarded as abandoned, it was, I believe, never more than a rather minor point — if not a mere pretext.

The following extracts from "Reuter's Telegrams" and "East Africa" are submitted as of possible interest in connection with current press discussion of Abyssinia's obligations under the 1902 agreement.

"REUTER'S TELEGRAMS"

"HOUSE OF COMMONS. Nov. 8, 1927.

"Questioned with regard to the Blue Nile Dam reports, Sir Austen Chamberlain, said, that if the Abyssinian Government contemplated granting such a concession without consulting the British Government it would constitute a violation of the Anglo-Abyssinian Treaty of 1902; but he was confident that the Abyssinian

Government

Government were not unmindful of their obligation. This was confirmed by an interview with Dr. Martin, who added that no question arose between the United States and the British Government concerning it, and he anticipated no difficulties between them."

"BRITISH PROPOSAL".

"LONDON. November 12, 1927.

"A definite proposal made by the British Government for the construction of the Tsana Dam by British Engineers, says the "Observer's" diplomatic correspondent, is at present before the Abyssinian Government, and it is assumed by every one concerned that the contract will be a British Contract.

"EAST AFRICA".

Nov. 10. '27.

"A DAM AT LAKE TSANA".

"Reported agreement with American interests.

"The J. G. White Engineering Corporation of New York has announced that it has completed arrangements with the Abyssinian Government for the building of a dam across the Blue Nile where it emerges from Lake Tsana. The project is said to entail an expenditure of £ 4,000,000, and, according to a statement made to the Press by the Vice-President of the Corporation, the plan is to sell water for irrigation purposes in the Sudan to the British Administration

"Dr. Wargneh Martin, representative of the Regent of Abyssinia, is returning from the U. S. A. to his own country to secure final ratification of the agreement, which, it is stated, was concluded with the express agreement of Ras Tafari Makonnen. Dr. Yuttner, an American who is acting as Agent for Dr. Wargneh Martin, is understood to have announced that President Coolidge and Mr. Kellogg were kept informed of the negotiations, of which he thought the British Government knew nothing.

"In answer to a question whether the treaty between Great Britain, France and Italy did not preclude the placing of a contract with an American firm, Mr. E. M. Chilson, of the White Corporation, said that he had been informed by Dr. Martin that it did not "pertain" to agreements Abyssinia might make w ith any other country than these three. There was no treaty which could prevent Abyssinia from exploiting its natural resources in any way it pleased.

"The above news, though corroborated from various authoritative sources, is difficult to understand, for the treaty of May 15, 1902, between this country and the Emperor Menelik states explicitly:

"H. M. The Emperor Menelik II, King of Kings of Ethiopia, engages himself towards the Government of His Britannic Majesty not to construct, or allow to be constructed, any work across the Blue Nile, Lake Tsana, or the Sobat which would arrest the flow of their waters into the Nile except in agreement with H. B. M's Government and the Government of the Sudan."

"At the moment of closing for press "East Africa" learns of the arrival in this country of Dr. Martin, who, in interviews with the Press, has been unable to disguise that the whole affair closely resembles an extravagant bluff, staged in the naive hope of trapping Great Britain. The hopelessness of the Abyssinian position

could

could not be better indicated than by Dr. Martin's singularly lame explanation that 'the Abyssinian Government wants only to try to meet wishes of the British Government, and I was asked to see if we could do so by getting an efficient firm of American engineers to construct the dam."

In connection with the present status of the 1902 agreement, I venture to submit certain observations which occurred tome in reading the recent diplomatic correspondence between Great Britain, Italy and Abyssinia, as published some weeks ago in the "United States Daily".

Following the protest made to the League of Nations by Ras Tafari when informed of the 1925 Agreement between Great Britain and Italy, Great Britain replied on August 3, 1926 (in part) as follows:

> "3. There is nothing in the Anglo-Italian notes to suggest coercion or the exercise of pressure on the Abyssinian Government. Sir Austen Chamberlain has stated in Parliament that the agreement was certainly not to be used and could not be used for the purpose of coercing the Abyssinian Government. He believed the agreement to be in the interests of all three parties, but added that of course the Abyssinian Government had a perfect right to judge of what was in the interests of Abyssinia. His Majesty's Charge d'Affaires was instructed by telegraph on the 14th July to bring these statements to the knowledge of Ras Tafari."

It seems logical to believe that this statement was made only as regards the 1925 understanding between Great Britain and Italy; in other words that Abyssinia had a perfect right either to grant the respective concessions to Great Britain and Italy, or to withold these

these concessions, as it saw fit. It can hardly be supposed that Abyssinia's "perfect right" to judge of what wasin itw own interests extended to the subject matter of the 1902 agreement. "Perfect right", it seems, meant perfect right to grant or to withold — but not to grant to a third party. The same note from the British Government, in fact, reminds the Abyssinian Government of this agreement in the paragraph following the one quoted.

It seems apparent, however, in reading the correspondence in question that His Highness, Ras Tafari, when replying to this note from the British Government, construes the text in its literal sense. He states in concluding his note dated September 4, 1926 (Addis Ababa, 30th day of Nagasic, 1918):-

> "All the members of the League of Nations will then know beyond doubt that, far from having given any undertaking whatever in this matter to the two Powers concerned, the Imperial Government retains, as the British and Italian Governments themselves have stated, full and complete freedom to decide as to any requests which may be made to it, and has a perfect right to judge what is in the interest of Abyssinia."

It is not illogical to believe that His Highness regards this exchange of notes as a form of a mutual abrogation of the 1902 Agreement. The impression one gains is that Great Britain made a rather sweeping statement in its note, intended to apply only to the 1925 Agreement, and that Ras Tafari in his reply takes the statement literally — without the limitation implied but not expressed by the British Government.

I do not know whether the British Government has ever

replied

replied to the note in question.

It seems logical to believe, in any event, that the exchange of notes mentioned above may explain, in part at least, the contradictory statements now appearing in the Press with reference to the alleged violation of the 1902 Agreement.

I have the honor to be, Sir,

Your obedient servant,

Clayson W. Aldridge

Clayson W. Aldridge,

American Vice Consul in Charge.

Original and four copies to the Department.
Copy to: American Embassy, London.
American Legation, Athens.
American Consulate General, Singapore.

File No. 800

SID.

EMBASSY OF THE
UNITED STATES OF AMERICA

Berlin, December 9, 1927.

No. 2980

Index Bureau
RECEIVED
DEC 29 19[illegible]
Dept. of State

DEPARTMENT OF STATE
DEC [illegible] 1927
DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
DEC [illegible] 1927

For Distribution
Consulate Jerusalem
Consulate Aden

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Commercial Office (A-O/O)
To Consulate
Aden

Office of Economic Adviser
JAN 4 1928
DEPARTMENT OF STATE

INDEX BUREAU
884.6461-Loans/38
JAN
FILED

The Honorable

The Secretary of State,

Washington.

Sir:

With reference to the Embassy's despatch No.2911 of November 21, 1927, on the American contract for the Tsana Dam construction in Abyssinia, I have the honor to report that the Centrist (Roman Catholic) GERMANIA yesterday published an article coming from Haifa, Palestine, and dated the middle of last month, entitled "America's Advance on the Orient," a heading which aptly characterizes the contents of the communication. One does not obtain the impression that the writer has especially

good

good sources of information or more than a superficial judgment but what he writes may still have some interest as reflecting the kind of things which are now being talked about America among Europeans at Haifa and elsewhere in the Near East.

The Tsana Dam incident merely serves as the introductory bow of this unnamed author from Haifa in his lecture upon American expansion in that part of the world. We don't know, he begins, what price England had to pay America to secure her withdrawal from the Tsana Dam project but we do know what American capital has accomplished in the fight over Asiatic petroleum; that it can force its way through European competition; and that in time it will probably be the leader in this field.

To be sure the Tsana Dam withdrawal does not mean a complete withdrawal of American interests from Abyssinia. It must not be forgotten that there exists a closer relationship between Adis Ababa and New York than public opinion in Europe generally realizes: American plantation and mining interests are busy seeking concessions in Ethiopia and no power in the world is strong enough to crowd them out.

And all this, the correspondent from Haifa continues, forms a new chapter in the colonial history of the Orient which might well be entitled: "Conscious Expansion of the United States in Africa and Asia." To be sure,

American

American enterprises in that part of the world have for the most part been of an impromptu character, but with the ever increasing amount of idle capital in the United States this is changing.

Although American invasion of the Orient may not yet be as clear as it is in Latin America, the Far East and Europe, important instances are yearly more apparent. American trade practically holds a monopoly of the automobile market, in spite of European and especially English competition, in the Middle East. Here American diplomacy serves as the pioneer of business and trade rapidly follows on the path that has been cleared for it. The battle is won because of the quality of the goods and the long-term credits allowed. Geographically speaking American interests encircle the entire Southeastern coast of the Mediterranean from Egypt to Turkey, and Abyssinia merely forms a new link in this chain which will thus soon extend into the Sudan and beyond.

The article then mentions American efforts to gain a foothold in Egypt which were heretofore frustrated, it says, by England's refusal to permit machinery to enter free of duty. Relations between the American Minister, Morton Howell, and the High Commissioner, Lord Lloyd, got so bad, the communication states, that England had to ask for the recall of the American Minister as he openly sided with the Egyptian Nationalists. In the same connection the machinations of the Y.M.C.A. are mentioned, an organization which officially speaks of itself as doing mission-

ary work but which is really a "propaganda-institute" supported by "American high-finance" and used to further American Kultur and American methods. A large part of "the Arabian youth" has been brought under its influence not only through religious means but also through sport, social relations and education.

In this respect it is interesting to note that the article maintains that the central office of the Y.M.C.A. in Cairo is closely connected with the Young Egyptian Movement. Moreover at a banquet last winter, it continues, the Egyptian students fraternized with the members of the Floating University and the United States was acclaimed as the liberator of the Egyptians from English bondage.

The writer from Haifa then turns to Palestine and says that there the economic crisis which confronts Zionism strengthens the position of the American Jews. The majority of philanthropic and cultural undertakings in the Holy Land are under American control. American-Jewish capital is most active in bringing the realization of a Jewish Palestine under its control.

From Palestine the article turns to Persia and says that the influence of the American financial commission in Teheran has strengthened its position in spite of English opposition; and that a member of the commission is now in the United States to contract for a loan of twenty million pounds for the construction of a Persian railway from which Russian as well as English labor is excluded because of the

neutrality

neutrality agreement. The American University at Beirut is also mentioned as a stronghold of the United States in Syria, and as the source of much trouble to the French during the last disorders.

In Turkey, of course, the Chester concession is brought into play and with a final paragraph on the advantages which the United States has over European countries - with their disagreements, rivalries, colonial problems and oppression of the native populations - the article comes to an end. Material lack, the writer adds, will prevent Europe from reaching her imperialistic goals - but that is not the case with the United States. The United States is intoxicated with a superfluity of political and economic forces whose spiritual aim is the conversion of the rest of humanity to a 100-percent Americanism. "With the advance of the United States into the Orient the last and decisive phase of the separation between the western and the eastern world will have set in. More than ever the question will arise as to whether the determination and the strength of the Orient are strong enough to resist this onset, or whether the wave of Americanism will overflow the East as it has Europe."

1/ The German text of the article is enclosed as of possible interest to the Department.

I have the honor to be, Sir,

Your obedient servant,

D. C. Poole

Chargé d'Affaires a.i.

Enclosure:
1. Article in GERMANIA.

Copy to EIC, Paris.

Enclosure #1

GERMANIA - December 3, 1927.

[redacted]

Ausgabe B

Berlin, Donnerstag, 8. Dezember

Einzelpreis 10 Pfennig

ria

Fernsprecher

Sammel-Nr. [illegible], [illegible], [illegible]

[illegible], [illegible], [illegible] u. [illegible]

[illegible] 2,10 Mark, an bevorzugter Stelle (Reklameseite) 2,50 [illegible],20 Mark, Kleine Anzeigen: Wortschriftzeile 0,30 Mark, [illegible]: Wortschriftzeile 0,20 Mark, Ziffernzeile 0,25 Mark. [illegible]. Postscheckkonto: Berlin NW 7, Nr. 20 [illegible]

[illegible] / Unser Standort / [illegible], die Welt

Amerikas Vorstoß auf dem Orient

K. L. Halle, Mitte November.

Wenn es auch scheint, daß der Ueberrumpelungsversuch amerikanischen Kapitals, sich in Abessinien am Blauen Nil vor der Nase Englands festzusetzen, vorläufig abgeschlagen ist, so ist damit noch lange nicht gesagt, daß die Expansion der Vereinigten Staaten im Orient zu Ende ist. Vorausgesetzt, daß der Rückzug der White Engineering Corporation den Tatsachen entspricht, so bleibt immer noch die Frage nach der Höhe der Opfer im Dunkeln, mit denen England diesen Verzicht des jüngeren Vetters erkauft hat. Die Geschichte der Kämpfe um das asiatische Petroleum lehrt, wie schwierig Geschäfte dieser Art sich und mit welcher Zähigkeit und mit welchem Raffinement das amerikanische Kapital über kurz oder lang doch die Lücken findet, um sich zwischen die europäische Konkurrenz zu drängen und mit der Zeit sogar die Führung an sich zu reißen.

Der ganzen Sachlage nach scheint ein völliger Verzicht der Amerikaner auf Abessinien ausgeschlossen, denn der Appetit amerikanischen Kapitals nach Betätigung in dem reichen und trotz der europäischen Wirtschaft bisher so gut wie unberührten Lande ist von dem um den Besitz seiner Herrschaft besorgten Ras Taffari bereits seit langem systematisch gereizt worden. Zwischen Addis Abeba und Newyork bestehen stärkere Bindungen, als die europäische Oeffentlichkeit im Augenblick noch ahnt, und es würde der amerikanischen Mentalität vollkommen widersprechen, wenn amerikanische Finanzgruppen die Hände von einem als aussichtsreich erkannten Unternehmen lassen würden, in das sie bereits erhebliche Anfangsspesen hineingesteckt haben. Sowohl Plantagengesellschaften wie Bergwerksunternehmungen bemühen sich sehr heftig um Konzessionen im Reiche des Negus, und keine Macht der Erde wird stark genug sein, sie zu verdrängen.

Dafür, daß auch der Kampf um den Blauen Nil Staudämme mit einem neuen Kapitel in der Kolonialgeschichte des Orients rechnen müssen, das den Titel „Bewußte Expansion der Vereinigten Staaten in Afrika und Asien“ führt. An amerikanischen Versuchen, sich in Afrika und im mittleren Osten festzusetzen, hat es bisher keineswegs gefehlt. Sie haben bis jetzt aber zum größten Teil den Charakter von Improvisationen getragen und sind in der Hauptsache aus Zufallserfolgen unternehmungslustiger Pioniere entstanden, die irgend ein Wind von der großen Route der gegenwärtigen amerikanischen Expansion abgedrängt hat und deren Geschäftssinn die günstige Gelegenheit ergriff, sich mit ein paar Dollars die Aussichten auf unbegrenzte [illegible] zu sichern. Mit dem wach-

[illegal] in der Gruppierung aus zusammen unternehmungslustiger Yankees entstanden, die irgend ein Wind von der großen Route der gegenwärtigen amerikanischen Expansion abgedrängt hat und deren Geschäftssinn die günstige Gelegenheit ergriff, sich mit ein paar Dollars die Aussichten auf unbegrenzte Möglichkeiten zu sichern. Mit dem wachsenden Druck des überquellenden Finanzkapitals nach außen beginnt sich diese Methode jedoch von Grund auf zu ändern. Der Geldüberfluß Wallstreets nötigt die amerikanischen Finanzleute und Industriellen, jeder Möglichkeit nachzuspüren, die die Anlage von Kapital mit möglichst großen Nutzen gestattet, und bei der wachsenden Verengung der Betätigungsplätze für gewinnbringende Investitionen muß sich das Interesse der amerikanischen Kolonialunternehmer mehr und mehr nach den noch brachliegenden Ländern Afrikas und Vorderasiens wenden.

Wenn der Umfang der amerikanischen Invasion nach dem Orient zur Zeit noch nicht so offenkundig zutage tritt wie in Latein-Amerika, dem Fernen Osten und Europa, so zeigen sich doch bei näherem Zusehen eine Reihe von Ansatzstellen dieser Betätigung, deren Bedeutung von Jahr zu Jahr wächst. Vor allem kämpft der amerikanische Handel im Mittleren Osten mit Erfolg gegen die europäische, besonders gegen die englische Konkurrenz und hat sich namentlich für Automobile bereits eine Monopolstellung erworben. Die amerikanische Diplomatie macht bei diesen Versuchen den Pionier der Wirtschaft, und der Handel drängt auf den durch die außenpolitischen Vertretungen gebahnten Wegen im Geschwindschritt nach. Er erobert durch die Qualität seiner Erzeugnisse, vor allem aber durch die Gewährung langfristiger Kredite, Position um Position seiner Rivalen. Geographisch betrachtet, zieht sich der Ring der amerikanischen Interessen bereits am ganzen Südostrande des Mittelmeers von Aegypten bis nach der Türkei. Die Durchdringung Abessiniens bildet ein neues Glied in der Kette, die sich von hier aus nach dem Sudan und dem Inneren Afrikas sehr bald ausdehnen wird.

Die amerikanische Textil- und Automobilindustrie sucht bereits seit langem in Aegypten Fuß zu fassen. Verschiedene Konzerne haben sich bei der ägyptischen Regierung um Konzessionen für die Anlage von Fabrikunternehmungen in Aegypten bemüht, um die Märkte des Orients besser und schneller zu versorgen. Bisher hat englischer Einfluß diese Versuche noch immer dadurch zu verhindern gewußt, daß Aegypten veranlaßt wurde, der Ein-

Heute
Literarische Beilage:
„WERK UND WERT“

[illegal] terial für diese Zwecke die Zollfreiheit zu verweigern. Die Beziehungen zwischen Engländern und Amerikanern in Ägypten sind dieser versteckten Handelsrivalitäten wegen nichts weniger als herzlich. Zu Anfang dieses Jahres sind der amerikanische Gesandte in Kairo, Morton Howell, und der englische Oberkommissar, Lord Lloyd derart hart aneinandergeraten, daß England die Abberufung des Vertreters der Vereinigten Staaten fordern mußte, weil er sich offen auf die Seite der extremen ägyptischen Nationalisten gestellt hat. Eine ähnliche Politik treibt die Y. M. C. A., die Vereinigung christlicher junger Männer, die zwar offiziell firmiert, [illegal] unternehmen, in Wirklichkeit aber ein von der amerikanischen Hochfinanz unterhaltenes Propaganda-Institut für amerikanische Kultur und amerikanisches Wesen ist. Ein nicht geringer Teil der arabischen Jugend steht unter ihrem Einfluß, den sie nicht weniger durch religiöse Tätigkeit als durch Sport-, Geselligkeits- und Bildungsveranstaltungen zu verschaffen sucht. Von der Zentrale der Y. M. C. A. in Kairo knüpfen sich enge Fäden zur jungägyptischen Bewegung. Auf einem im vorigen Winter dort veranstalteten Bankett haben ägyptische Studenten mit den Schülern der Floating-University fraternisiert und die Vereinigten Staaten, ohne daß irgendwelcher Widerspruch laut wurde, als die Befreier Aegyptens von der englischen Herrschaft gefeiert. — In Palästina verschärft die ökonomische Krise des Zionismus die Position der amerikanischen Juden. Die Mehrzahl der caritativen und kulturellen jüdischen Unternehmungen im Heiligen Lande steht bereits ganz unter amerikanischem Einfluß. Amerikanisch-jüdisches Kapital ist dabei, die wichtigsten Unternehmungen für den Aufbau eines jüdischen Palästina zu sanieren und unter seinen Einfluß zu bringen.

Die amerikanische Finanzkommission in Persien hat trotz des englischen Widerstandes ihren Einfluß nicht nur behauptet, sondern noch verstärkt. Im Augenblick läßt die persische Regierung ein Mitglied dieser Kommission in den Vereinigten Staaten wegen einer Anleihe von 20 Millionen Pfund um Ausbau des persischen Eisenbahnnetzes verhandeln, von dessen Bau aus Gründen der Neutralität russische ebenso wie englische Arbeit vollkommen ausgeschaltet ist. In Syrien verfügen die Vereinigten Staaten in der amerikanischen Universität von Beirut über ein wichtiges Außenfort. Von dort herkommende Einflüsse haben den Franzosen während des letzten Aufstandes unendlich viel zu schaffen gemacht.

Für die wirtschaftliche Beherrschung der Türkei besitzt das amerikanische Kapital in den sogenannten Chester-Abkommen eine jederzeit anwendbare Handhabe. Die bereits im Jahre 1904 einem in türkischen Gewässern stationierten amerikanischen Marineoffizier Colby M. Chester erteilte und im Jahre 1923 bestätigte und erweiterte Konzession gibt ihren Inhabern das Recht, in der Türkei ein Eisenbahnnetz von insgesamt 2714 Meilen zu bauen und die Mineralvorkommen 20 Kilometer rechts und links dieser Bahnlinien auszubeuten. Nach einer ungefähren Schätzung hat die Chester-Konzession einen Wert von 10 Milliarden Dollar und bedeutet beinahe ein Monopol auf die gesamten Bodenschätze der heutigen Türkei. Wenn ihre Inhaber bis jetzt auch noch keine Miene machen, an produktive Erschließungsarbeiten zu gehen, so sind sie deshalb doch keineswegs gewillt, sich ihrer Rechte zu begeben. Ein kürzlich durch die türkische Regierung unternommener [illegal] freien, ist kläglich mißglückt, weil ein Angriff der türkischen Regierung auf die von den Konzessionären hinterlegte Kaution mit der Drohung einer Intervention von seiten der amerikanischen Bundesregierung beantwortet wurde.

Eine aktive Betätigung der Vereinigten Staaten in Afrika und im Mittleren Osten wird die Zahl der dort reichlich bestehenden Spannungen und Rivalitäten noch weiter vermehren. Die Politik der hier aktiv wirkenden europäischen Mächte ist sowohl untereinander wie den unterdrückten Kolonialvölkern gegenüber mit einer Unzahl von Hemmungen belastet. Sie wird auch durch den Wettbewerb der [illegal]

nommener Versuch, sich von dieser drückenden Last zu befreien, ist kläglich mißglückt, weil ein Angriff der türkischen Regierung auf die von den Konzessionären hinterlegte Kaution mit der Drohung einer Intervention von seiten der amerikanischen Bundesregierung beantwortet wurde.

Eine aktive Betätigung der Vereinigten Staaten in Afrika und im Mittleren Osten wird die Zahl der dort reichlich bestehenden Spannungen und Rivalitäten noch weiter vermehren. Die Politik der hier aktiv wirkenden europäischen Mächte ist sowohl untereinander wie den unterdrückten Kolonialvölkern gegenüber mit einer Unzahl von Hemmungen belastet. Sie wird auch durch den Mangel an materiellen Mitteln daran gehindert, die Wunschträume eines überhitzten Imperialismus bis zur letzten Konsequenz Wirklichkeit werden zu lassen. All das trifft bei den Vereinigten Staaten nicht zu. Die Union schwelgt heute in einer Ueberfülle politischer und wirtschaftlicher Macht, deren geistiges Ziel die Bekehrung der übrigen Menschheit zum 100prozentigen Amerikanismus mit allen Mitteln ist.

Mit dem Vorstoß der Vereinigten Staaten in den Orient wird die letzte und entscheidende Phase der Auseinandersetzung zwischen westlicher und östlicher Welt eingeleitet werden. Dringender als je wird sich dann die Frage erheben, ob der Wille und die Kraft des Orients zum Widerstande stark genug sind, um diesem Ansturm zu widerstehen, oder ob die Welle des Amerikanismus den Osten ebenso überfluten wird wie Europa.

In der Komödie gab es eine ganz entzückende [illegible] Aufführung von Molnars glücklich getroffenem „Spiel im Schloß", dank besonders der diskreten Haltung Hanns Fischers. Wenn hier Alfred Hause und Trude Wesseley mitmachen, ist den Abend nie ohne Gewinn. Leopold Justig hat die kleine Bühne gegen einen [illegible] der mit sicherem Geschmack das Richtige trifft. „Diktatur" in einer zweiten Aufführung mit dem bezaubernden Einakterpaar „Goethe" von Egon Friedell und Alfred Polgar, dazu Schnitzlers „Abschiedssouper" als Füllsel, in einem schnittigen Tempo durchgespielt, riefen wahre Lachstürme hervor. Der sichere Wolf Kerstens und die in derb-komischen Rollen stets erfreuliche Trude Wesseley müssen hier an erster Stelle genannt werden.

Erfreulich literarisch entwickelt sich das so gastfreundliche Albert-Theater. Man muß es Hermine Körner zugestehen, daß sie Eifer und Geschick besitzt, über die bloße Unterhaltung [illegible] Eine abgerundete Aufführung von Molnars [illegible] zeigte eine reizvolle Studie des jugendlichen Spiels Lea Fischers in der Titelrolle und brachte die Entdeckung einer neuen Schauspielerin Melanie Hoffschopfs, die als bäuerliche „Marie" eine ganz prachtvolle Charakterisierungskunst zeigte. Wichtiger noch eine Aufführung des „Kaufmanns von Venedig" unter der Spielleitung Hermine Körners, ganz auf das Märchenhafte eingestellt. Freilich ein Venedig im Duodezformat, aber dennoch geschlossen, voller Leben und unbelastet von [illegible] Dramaturgie. Auch hier ein Drahtzaun [illegible] Wilhelm-Tolland als Bühnenbildner am Werk, der immer sicherer in die Materie hineinwächst und grade eine „Kaufmann"-Szene von durchaus eigenem Wege gingen. Schon der Spielort, der neue Hans Vogel-Saal hob diese Aufführung über das [illegible] Niveau, bis dann durch die „Porzia" Hermine Körners selbst noch ein besonderes Interesse gewann. Ein Experiment, das sich hall mir eine Hermine Körner heute noch leisten kann. Man kann nicht sagen,

EMBASSY OF THE
UNITED STATES OF AMERICA

No. 2343 London, December 15, 1927.

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The Honorable

The Secretary of State,

Washington, D. C.

Sir:

884.6461/29

I have the honor to refer to my despatch No. 2294, November 25, 1927, relating to the construction of a dam at Lake Tsana, and in this connection to forward herewith a copy, in quintuplicate, of a press report from Cairo giving an interview of Dr. Martin, the Abyssinian Envoy, who explains therein what seems to be the Abyssinian desire that America build the dam, as,

as, should this concession be given to England, a like concession of similar magnitude would be requested by Italy.

I have the honor to be, Sir,

Your obedient servant,

Ray Atherton
Chargé d'Affaires ad interim.

Enclosure:

"Abyssinia and the Tsana Dam Scheme",
DAILY TELEGRAPH, December 14, 1927.

Copy to E. I. C., Paris.

PAPER DAILY TELEGRAPH NUMBER

CITY LONDON DATE Dec 14,1937

ABYSSINIA AND THE TSANA DAM SCHEME.

OBJECTION TO CONCESSION.

CAIRO, Tuesday.

Fear of "grave political complications" is one of the arguments advanced in support of Abyssinia's apparent disinclination to grant a concession to Great Britain for the construction of a dam across the Blue Nile below Lake Tsana.

Dr. Wargeneh Martin, the Abyssinian Envoy, whose negotiations with an American firm over a proposed barrage scheme recently caused some stir, has given an interview to the Egyptian newspaper *Al-Ahram*, in which he defends Abyssinia's attitude. He further announces his intention to submit the American proposals to his Government, with whom the decision will rest.

The Envoy spoke of the "difficulties" of granting a concession in the heart of Abyssinia to Great Britain, and argued that the British Government, after spending large sums on the project, would undoubtedly seek to control the territory communicating with the Sudan in order to control the Blue Nile waters for the irrigation of the Sudan. This, he said, would involve grave political complications, and would mean a virtual concession of territory to Great Britain.

Abyssinia was anxious to settle the matter in a manner that would permit the Sudan to have the necessary water without risk of political danger. This was why Abyssinia looked to America as the country without territorial designs in Abyssinia best calculated to provide a solution of the difficulty.

Another danger, said Dr. Martin, was the Anglo-Italian Agreement of 1926, and he regarded it as a possibility that if Great Britain secured a concession she would press Abyssinia to grant a railway concession to Italy across Abyssinia. He expressed the view that since the United States and Great Britain were both of Anglo-Saxon stock, the latter would not object to an American company undertaking the Lake Tsana project.

He proposed to submit proposals of the White Engineering Corporation (the American concern with whom he negotiated) to the Abyssinian Government, and it was for the latter to take a decision.

The representative of *Al-Ahram* asked Dr. Martin if Abyssinia was prepared to grant a concession on Lake Tsana to Egypt. Dr. Martin replied that existing conditions militated against this, and the journalist got the impression that the Envoy meant that in the present circumstances a concession to Egypt would be tantamount to a concession to Great Britain.—Reuter.

A CHANGE OF TONE.

FROM OUR DIPLOMATIC CORRESPONDENT.

Dr. Martin speaks a different language in Egypt, and, presumably, in Abyssinia, to that which he used when he was recently in London, both at the Foreign Office and to the Press. He then declared that, if Great Britain objected to the Tsana dam concession being granted to an American syndicate, that would be the end of the matter, as indeed it should, under the existing Anglo-Abyssinian treaties and agreements. From Dr. Martin's latest utterances it would now appear that he is determined to press the question of a concession to America upon the Addis-Abeba Government, and to dissuade it from giving a favourable reply to the renewed British request that this particular concession be granted to a British syndicate.

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DIVISION OF NEAR EASTERN AFFAIRS

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Department of State

January 6 1928.

MEMORANDUM.

December 9, 1927.

January 12 1928.

Gano

Mr. Dunn, President of J. G. White & Company, and Mr. Osborne called this morning to talk over the matter of the Lake Tsana Dam construction. Mr. Dunn gave me to understand that besides the proposal made to Dr. Martin in writing which Dr. Martin had showed me he (Mr. Dunn) had given Dr. Martin another document possibly of a more detailed character. In any event, Mr. Dunn said that the proposal had been stated to Dr. Martin in sufficiently definite terms so that if it is accepted by the Prince Regent of Ethiopia a contractual relationship between the J. G. White Company and the Ethiopian Government will then and there be created. From some of Mr. Dunn's remarks I rather gathered the impression at the beginning of our conversation that he proposed to get the concession from the Ethiopia Government and with the basis of this fait accompli carry on the necessary negotiations with the British Government. When I ventured the opinion that negotiations on the basis of a fait accompli frequently did not run very smoothly Mr. Dunn explained that they had no such intention in mind. He made it clear that if the Prince Regent accepts the proposal which Dr. Martin is carrying with him there will then be what might be described as a contract to enter into a contract subject to certain conditions which

would

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would make British cooperation essential. When the Prince Regent signifies his approval Mr. Dunn proposes that J. G. White & Company shall send a representative (probably himself) to Addis Ababa to reach a detailed understanding with the Ethiopian Government. As a result of this visit Mr. Dunn hopes to be able to draw up what is known as the "yellow copy" of a concession. With this "yellow copy" in his possession Mr. Dunn would then proceed to London with a view to securing the necessary approval from the British Government. After this approval has been received the concession would be definitely given and would recite in its terms the approval of the British Government.

Mr. Dunn said he thought that the excited tone of some of the British papers in dealing with the possibility of the Lake Tsana Dam being built by an American concern was very probably due to the fact that Lord Beaverbrook is personally hostile to the J. G. White Company and loses no opportunity in saying unpleasant things about them. This hostility apparently arose in connection with certain controversies between syndicates in which Lord Beaverbrook was interested and the Canadian branch of the J. G. White Company.

Mr. Dunn referred to an article which had appeared in the New York EVENING SUN of November 10th and which in his

opinion

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opinion reflects the views of the British Foreign Office. This article intimates that the British Government does not object to the construction of the dam by an American concern on the distinct understanding that the dam, once constructed, will be managed by a Board on which the British are suitably represented.

Mr. Dunn asked me if I could tell him whether the British Ambassador had made any representations to the Department concerning the Lake Tsana Dam matter. I replied that so far as I was aware the only reference made by the Ambassador had been an inquiry of a distinctly parenthetical nature addressed to Mr. Castle at the close of a conversation which the Ambassador had with Mr. Castle on an entirely different and unrelated subject. I said that the Ambassador had been informed on this occasion that so far as we were aware no contract had been concluded between the J. G. White Company and the Ethiopian Government. Mr. Dunn said that he was going to see the British Ambassador at tea this afternoon and that he wanted to talk with him on the matter quite frankly. I said that I saw no possible objection to his doing so. I read to Mr. Dunn the articles of the British-Ethiopian Treaty of 1902 and the British-French-Italian Agreement concerning Ethiopia of 1906 which had to do with the Lake Tsana Dam construction. He said

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he was rather bothered by an exchange of notes which he understood had taken place after the 1902 Treaty between the Emperor Menelik's Chamberlain and a British representative. According to Mr. Dunn's understanding this exchange of notes bound the Ethiopian Government to let a British concern build the Lake Tsana Dam if the British concern could make as advantageous a proposal as anybody else. It was pointed out to Mr. Dunn that this exchange of notes took place before the conclusion of the 1902 Treaty and since it was not mentioned among the various agreements the existence of which is specifically recognized by Article I of the British-French and Italian Agreement of 1906, there was a good deal to be said against the theory that this exchange of notes is still binding upon the Ethiopian Government. It was pointed out, however, to Mr. Dunn that the exchange of notes had been recently mentioned by the British Foreign Secretary. Mr. Dunn was also informed that the Department had sent to London for the text of the notes in question.

Mr. Dunn made it perfectly clear that in his opinion the cooperation of the British Government will be essential to any plan for the construction of the Lake Tsana Dam. He had no doubt whatsoever that without this cooperation any plan would be financially impossible. I said that we hoped that

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all parties concerned would examine the question on its merits and that it would not degenerate into a diplomatic quarrel between governments, with treaty provisions being banded about as weapons. Mr. Dunn gave me to understand that he was in entire sympathy with this point of view. He said that J. G. White & Company was in a particularly strong position to handle the matter in the way I suggested, since they were well known to the British Government and since they maintain many British connections. Their British house, while still retaining the name of J. G. White, is owned by Mr. Booth of the Booth Steamship Lines.

J. Howland Shaw.

GHS/GC

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Jan. 5. 1928.

A true copy of the signed original.

January 6 1928

January 6. 1928.

The Honorable

Addison E. Southard,

Appointed Minister Resident and Consul General

of the United States to Ethiopia,

In care of the American Consulate,

Aden, Arabia.

Sir:

Referring to the Department's recent instructions in the matter of the negotiations of J. G. White & Company with respect to the construction of the proposed dam at Lake Tsana, there is enclosed for your confidential information a copy of a memorandum of a conversation which took place on December 9, 1927 between Mr. Gano Dunn, President of J. G. White & Company, and the Chief of the Department's Division of Near Eastern Affairs.

I am, Sir,

Your obedient servant,

For the Secretary of State:

W. R. CASTLE, JR.

Enclosure:

Copy of memorandum of conversation referred to above.

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Jan. 5.1928.

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884.6461 Blaine Dam/40

January 12 1928.

No. 1236

Hay Atherton, Esquire,

American Chargé d'Affaires ad interim,

London.

S i r:

Referring to recent correspondence in the matter of the negotiations of J. G. White & Company with respect to the construction of the proposed dam at Lake Tsana, there is enclosed, for your confidential information, a copy of a memorandum of a conversation which took place on December 9, 1927 between Mr. Gano Dunn, President of J. G. White & Company, and the Chief of the Department's Division of Near Eastern Affairs.

I am, Sir,

Your obedient servant,

For the Secretary of State:

NELSON TRUSLER JOHNSON

Enclosure:
Copy of memorandum of
conversation referred
to above.

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Jan. 10. 1928. pm

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HE CW/LVD

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inal.

884.6461/40
Lake Tsana dam

884.6461

December 15, 1927.

My dear Mr. Osborne:

Referring to our conversation of December 9th I take pleasure in enclosing copies of the following documents:

1. Anglo-Ethiopian Treaty of May 15, 1902. (British and Foreign State Papers, 1901-1902, Vol. XCV, pages 467-471).

2. Agreement Between the United Kingdom, France, and Italy, Respecting Abyssinia, December 13, 1906. (Cd. 3298).

3. Notes exchanged between the United Kingdom and Italy respecting Lake Tsana, December 14/20 1925. (Cmd. 2680).

4. Correspondence respecting the Agreement between the United Kingdom and Italy of December 14/20, 1925 in regard to Lake Tsana. (Cmd. 2792).

The first of these four listed documents I should be pleased to have you retain for your files; the remaining three I would ask you to have copied, should you wish to retain copies, and returned to me as they are the only copies I have been able to obtain for the Near Eastern Division.

We

Harrison Osborne, Esquire,
c/o J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

884.61 - Tsana Dam/40

We have not yet received the texts of the British-Ethiopian exchange of notes March 18, 1902. When received I shall be pleased to send you a copy.

You will, I believe, wish to consult one further reference to this matter, i.e., Parliamentary Debates (House of Commons) August 2, 1926, pages 2733 to 2764. In the course of the debate in question Sir Austin Chamberlain gave certain explanations and assurances regarding the British-Italian exchange of notes of December 14/20, 1925, from which I quote the following extracts as indicative of the nature of the debate:

> * * * Let me repeat explicitly that these things constitute a Bilateral Agreement between Italy and ourselves. They do not pretend to bind, and they cannot possibly bind, any other Government, whether the Government of Abyssinia or any other. They suggest and imply no attack on the Independence of Abyssinia, and no limitation on the right of the Abyssinian Government to decide freely whether or not to grant us the concession which we ask. What they do is to secure us against Italian opposition to the grant by Abyssinia of a concession for the construction of the Tsana works by the Government of the Sudan, and to protect Italy against opposition through us for a concession for the construction of the railway. * * *
>
> Hon. Members opposite seem to be very much troubled by this word 'exclusive,' and ask if we recognise the exclusive right of Italy. That can only be exclusive as against our own concessionaires. It cannot and does not pretend to be

exclusive

exclusive against any third party. What it does mean is that we undertake not to support in opposition to Italy or the Italian concessionaire the claims of British concession hunters. * * *

Sincerely yours,

G. Howland Shaw

Enclosures:
As stated.

MF
SW.

CR 4
Dec. 16, 1927.

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884.6467

NO. 27

AMERICAN CONSULATE,

Aden, Arabia, January 8, 1928.

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SUBJECT: The Lake Tsana Dam Project.

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THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

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SIR:

I have the honor to transmit copies of an article quoted from the issue of "The Daily Telegraph", London, of December 14, 1927.

The article quoted purports to give the substance of an interview given by Dr. Wargneh Martin to the Egyptian newspaper "Al Ahram". It is noted that the English press, though apparently reassured to a certain extent by Dr. Martin's statements while visiting London, again expresses its concern over Dr. Martin's more recent utterances, and implies that Dr. Martin has not maintained a consistent, straightforward attitude in his various pronouncements.

It is interesting to note also that the Anglo-Italian Agreement of 1925, already regarded by many as an unfortunate move on the part of Great Britain and as a needless provocation to both Abyssinia and France, is now revealed as impeding the very object it was intended to achieve. Dr. Martin is quoted as saying that "he regarded it as a possibility that if Great Britain secured a concession she would press Abyssinia to grant a railway concession to Italy across Abyssinia". Whether or not Dr. Martin

made

made this exact assertion, the logic of the statement is clear, and the Anglo-Italian Agreement of 1925 will undoubtedly appear to many English critics in a more unfavorable light than ever.

I have the honor to be, Sir,

Your obedient servant,

Clayson W. Aldridge

Clayson W. Aldridge,

American Vice Consul in Charge.

Enclosure:
Newspaper article from the "Daily Telegraph".

ORiginal and four copies to the Department.

File No. 800.

SID.

C o p y. Enclosure.

Newspaper: "The Daily Telegraph",

Place: London, England.

Date: December 14, 1927.

---oOo---

ABYSSINIA AND THE TSANA DAM SCHEME.

---oOo---

Objection to Concession.

---oOo---

CAIRO, Tuesday.

Fear of"grave political complications" is one of the arguments advanced in support of Abyssinia's apparent disinclination to grant a concession to Great Britain for the construction of a dam across the Blue Nile below Lake Tsana.

Dr. Wargeneh Martin, the Abyssinian Envoy, whose negotiations with an American firm over a proposed barrage scheme recently caused some stir, has given an interview to the Egyptian newspaper AL-AHRAM, in which he defends Abyssinia's attitude. He further announces his intention to submit the American proposals to his Government, with whom the decision will rest.

The Envoy spoke of the "difficulties" of granting a concession in the heart of Abyssinia to Great Britain, and argued that the British Government, after spending large sums on the project, would undoubtedly seek to control the territory communicating with the Sudan in order to control the Blue Nile waters for the irrigation of the Sudan. This, he said, would involve great political complications, and would mean a virtual concession of territory to Great Britain.

Abyssinia was anxious to settle the matter in a manner that would permit the Sudan to have the necessary water without risk of political danger. This was why Abyssinia looked to America

as

as the country without territorial designs in Abyssinia best calculated to provide a solution of the difficulty.

Another danger, said Dr. Martin, was the Anglo-Italian Agreement of 1925, and he regarded it as a possibility that if Great Britain secured a concession she would press Abyssinia to grant a railway concession to Italy across Abyssinia. He expressed the view that since the United States and Great Britain, were both of Anglo-Saxon stock, the latter would not object to an American company's undertaking the Lake Tsana project.

He proposed to submit proposals of the White Engineering Corporation (the American concern with whom he negotiated) to the Abyssinian Government, and it was for the letter to take a decision.

The representative of AL-AHRAM asked Dr. Martin if Abyssinia was prepared to grant a concession on Lake Tsana to Egypt. Dr. Martin replied that existing conditions militated against this, and the journalist got the impression that the Envoy meant that in the present circumstances a concession to Egypt would be tantamount to a concession to Great Britain. - Reuter.

A CHANGE OF TONE.

From Our Diplomatic Correspondent.

Dr. Martin speaks a different language in Egypt, and, presumably, in Abyssinia, to that which he used when he was recently in London, both to the Foreign Office and to the Press. He than declared that, if Great Britain objected to the Tsana Dam concession being granted to an American syndicate, that would be the end of the matter, as indeed it should, under the existing Anglo-Abyssinian treaties

treaties and agreements. From Dr. Martin's latest utterances it would now appear that he is determined to press the question of a concession to America upon the Addis Ababa Government, and to dissuade it from giving a favourable reply to the renewed British request that this particular concession be granted to a British syndicate.

-------oOo-------

Index Bureau
RECEIVED
FEB 2 1928
Dept. of State

Index + file.
G.W.

HARRISON OSBORNE
110 WILLIAM STREET
NEW YORK

January 3, 1928.

Dear Mr. Shaw;

884.6461/40

I have delayed returning the enclosures sent me in your letter of December 15th, 1927, as I had hoped that I would be in Washington and be able to deliver them to you in person.

I am enclosing herewith the three listed documents, which you wish to have returned to the Department, as follows:

1. Agreement between the United Kingdom, France, and Italy, Respecting Abyssinia, December 13, 1906. (Cd. 3298).

Enclosure returned in N.F. G.W.

2. Notes exchanged between the United Kingdom and Italy respecting Lake Tsana, December 14/20 1925. (Cmd.2680).

3. Correspondence respecting the Agreement between the United Kingdom and Italy of December 14/20, 1925 in regard to Lake Tsana. (Cmd. 2792).

I wish to thank you for your courtesy in sending me these, and with best of good wishes to you for a Happy and Prosperous New Year, I am

Yours very truly,

Harrison Osborne

Hon. G. Howland Shaw,
United States Department of State,
Washington, D. C.

INDEX BUREAU
Sp 884.6461-Tsana/42
FILED
FEB 2 1928

CLASSIFICATION CANCELED
Authority: letter 1-8-58
J. H. Anderson, State Dept.
By Ronald L. Heisz, Archivist
Date 9-21-59

Index Bureau
EMBASSY OF THE
UNITED STATES OF AMERICA
MAR 18 1930
Dept. of State

London, January 31, 1928.

Private and ~~Secret, Confidential~~.

My dear Howland:

Answering your letter of December 6, 1927 I cannot find that the text of the Anglo-Ethiopian exchange of notes in 1902 has ever been published or made public, or that the actual text is anywhere outside the Foreign Office, available. However, the attached memorandum of information obtained from sources here, which I believe reliable, I trust may be of assistance in throwing light. Please regard it as most strictly confidential and private.

Yours sincerely,

Ronald Lindsay

G. Howland Shaw, Esq.,
Department of State,
Washington, D. C.

Enclosure:
Memorandum.

Confidential File.
FILED
APR 3 - 1931
INDEX BUREAU

negotiations with that end, but that when the present Conservative Government came in in 1924 it was unwilling

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Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise Archivist
9-21-59

~~STRICTLY CONFIDENTIAL MEMORANDUM.~~

Roughly the Anglo-Ethiopian exchange of notes of 1902 may be divided into three main points: first, relating to the position of Abyssinia and the Holy Places in the Near East; secondly, Great Britain agreeing to extend protection to the Abyssinian Church and thereby gaining the Emperor Menelik's support for certain contemplated railway construction; and, thirdly, with regard to Lake Tsana, the text of which is closely followed in the following:

> "There is to be no interference with the waters of the Blue Nile and Lake Tsana except in consultation with His British Majesty's Government and the Government of the Sudan. In case of any such interference, all other conditions being equal, preference will be given to the proposals of His Majesty's Government and the Government of the Sudan and His Majesty the Emperor Menelik has no intention of giving any concessions with regard to the Blue Nile and Lake Tsana except to His Britannic Majesty and the Government of the Sudan or one of their subjects."

In the late summer of 1927 the Government of Abyssinia sent a note to the British Government seeking to modify the 1902 Treaty, stating that [in view of the fact of the Tripartite Agreement of 1906 between France, Great Britain and Italy, and also by the British-Italian Pact of 1925,] the clause contained in the 1902 Anglo-Ethiopian exchange of notes, quoted above, became effective. The Abyssinian note further continued that the MacDonald Government favored undertaking a construction project and had entered into negotiations with that end, but that when the present Conservative Government came in in 1924 it was

unwilling

unwilling to carry on with the proposals. (It is alleged the Labor Government, as a secret condition, promised to give mountain artillery to the Abyssinian Government upon the signing of a satisfactory dam construction agreement, the the present Conservative Government would not carry on with this condition as it was unwilling to give mountain artillery to Abyssinia, particularly in view of what Italy might say.) The note continues that with the failure of the present British Government to complete the negotiations undertaken by the Labor Government the whole control of the waters of Lake Tsana reverted to Abyssinia, for such uses as may prove expedient; also that, as the 1902 Treaty may be reinterpreted in view of the changed conditions through clauses in the 1902 exchange of notes becoming operative, the Abyssinian Government maintains the right to give the contract for dam construction to anybody it pleases, regardless of nationality.

The British Government made no written reply to this note but the British Minister at Addis Ababa pointed out orally that, due to British backing at the meeting of the Fourth Assembly of the League of Nations in September, 1923, Abyssinia was unanimously elected a member of the League. At the same time the Abyssinian delegates signed a declaration with regard to slavery and traffic in arms. The British Minister thereupon pointed out to Ras Tafari that Abyssinia had broken its League declaration regarding slavery

and

and intimated that if Ras Tafari went contrary to Great Britain's desires the international status of Abyssinia might, through British influence, be abolished.

This is where the matter now stands, and it is very ably summed up by Sir Austen Chamberlain as quoted in the Embassy's despatch No. 2294, November 25, 1927.

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa, Ethiopia

Letter from Amer. Consulate Eng. Co. Mr. J. G. White to U.S. Govt. 6/1/28

April 26, 1928.

June 2, 1928

DEPARTMENT OF STATE
1928
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
MAY 29 1928
DIVISION OF
NEAR EASTERN AFFAIRS

File

CLASSIFICATION CANCELED
Authority: letter CONFIDENTIAL
W. H. Anderson, State Dept.
By Ronald L. Heise Archivist
Date 9-21-59

No. 18

FOR DISTRIBUTION - CHECK
Embassy
London

Copy Transmitted by The
Commercial Office (A.C/C).
To London

The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith a letter addressed to the J. G. White Engineering Corporation, which in response to an inquiry from the Corporation, explains briefly the present local status of the Lake Tsana dam matter.

There may be further and more extensive comment within a few days and if such develops I shall prepare a detailed despatch for the Department when there occurs an opportunity to send it by hand beyond Djibouti for posting. It is not advisable to transmit really confidential matter

by

INTERIOR
FILED
JUN 29 1928

Lake Tsana dam 443

no - NE
6/5/28 alc

by the regular mail which passes through the Djibouti post office.

(. 119.255 This office has need for a confidential code as it at present has no way of sending telegraphic messages other than in plain language.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister Resident and
Consul General.

Carbon Copies
Received M D-M

Enclosure.

1 cc for note
W.H.B.

3 CARBON COPIES RECD IN A-C/O
2 CARBON COPIES CUT OF A-C/O

Addis Ababa, Ethiopia.

Original sent to the Title addressed to Mr. Walter J. Smith Engineering Co. 6/1/59 Dup. file.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.

[redacted] By Ronald I. Heise, Archivist

Date 9-21-59

April 26, 1928.

The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

Sirs:

This is to acknowledge the receipt this week of your letter of March 16th, 1928, inquiring whether I have received through the Department of State the literature on the Tsana dam matter which you prepared for my information.

I have received the literature and have studied it with much interest. I much appreciate your courtesy in sending the clippings as they have been very useful in refreshing my back-ground knowledge of the situation.

You inquire also as to the next move expected from you by the Ethiopian Government. I have discussed this at some length with His Imperial Highness, the Prince Regent. He expects within the near future to have something definite to communicate in this connection.

Within the past few days His Imperial Highness has

received a note on the Tsana dam subject from the British Foreign Office. This note, which I have read, states in effect that the British Government is prepared to consent to the building of the dam as an Ethiopian enterprise provided the work is given into the hands of competent engineers and sufficient guarantees are given that the water will be made amply available on appropriate terms to the Sudan and Egypt.

This note also mentions British understanding that the Ethiopian Government proposes giving the concession to the J. G. White Engineering Corporation. To this no objection is intimated, but the note states that the British Government must know the terms of the concession before entering upon the negotiations incident to the formal and final agreement which it contemplates giving.

Although His Imperial Highness did not say so I am of the opinion, and suggested as much to him, that he will soon invite a representative of your company either to Ethiopia or to London to meet with Doctor Martin and a British representative for the purpose of speeding up the final negotiations.

The impression I have from reading this latest note from the British Foreign Office, and discussing it with

His Imperial Highness, is that the way is rapidly clearing for the final steps leading up to actual construction work on the dam.

I am thoroughly at your service in this or any other matter in which you may be interested in Ethiopia, and hope you will keep me informed of any developments at your end. I would have cabled through the Department of State this latest development in the Tsana dam matter, but my code has not yet arrived.

Ras Tafari has authorized me to write you the information herein contained, but he asks that you hold it in strictest confidence pending its release from other sources.

It might be well to inform you that there is here suspected tampering with, and examination of, interesting appearing mail which passes through the French Somaliland postoffice in particular. In any event matter of confidential character should be registered in plain envelope and particularly well sealed.

I am, Sirs,

Very truly yours,

ADDISON E. SOUTHARD
Minister Resident and
Consul General.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

June 2, 1928

In reply refer to
NE - 884.6461/43

My dear Mr. Dunn:

Referring to our conversation of April 24, last, in the course of which you were kind enough to inform me of the progress of your negotiations in the matter of the Tsana dam project, I take pleasure in enclosing the original of a letter addressed to you under date of April 26 by Minister Southard at Addis Ababa and forwarded through the Department.

It will, I am sure, be of interest to you to learn that the proposed British note to Ras Tafari has been presented and that the Prince Regent is apparently consulting freely with Mr. Southard with respect to the matter.

Very truly yours,

G. Howland Shaw

Chief, Division of
Near Eastern Affairs.

Enclosure:

Original letter
referred to above.

CR
Jun 2.1928

A true copy of the signed orig-

Mr. Gana Dunn, President,
J. G. White Engineering Company,
43 Exchange Place,
New York City.

884.6461 - Tsana/43

SW. JHH

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa, Ethiopia.

May 5, 1928.

JUN 11 28

FOR DISTRIBUTION - CHECK
To the Embassy
In U. S. A.
Y-S No
Embassy ✓
London ✓

DEPARTMENT OF STATE
NAF copy in WE
JUN 19 1928
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Assistant Secretary of State JUN 1 1928

STRICTLY CONFIDENTIAL.

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W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

DEPARTMENT OF STATE
JUN 12
DIVISION OF
NEAR EASTERN AFFAIRS

No. 24

The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my despatch No. 18 of April 26th, 1928, transmitting a letter to the J. G. White Engineering Corporation on the status here of the Tsana dam concession. The following more complete and much more confidential comment is presented for the Department's consideration.

Since my arrival here over two months ago I have given careful and intensive effort to ascertaining the local status of the Lake Tsana dam concession matter. I have, however, beginning with His Imperial Highness, Ras Tafari, found no one who talks freely and without

restraint

INDEX BUREAU
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AUG 8 1928
884.6461 Tsana dam/44

restraint on the subject. But from persistently recurring circumstantial evidence I am of the opinion that all is not as fair and open as the J. G. White Corporation presumably believes.

First, I strongly suspect that the visit of Doctor Wargneh C. Martin to the United States last year was mainly for the purpose of more definitely "smoking out" the line British opposition would take to the permanent membership of Ethiopia in the League of Nations. I understand here that Ethiopia was admitted temporarily, or on probation in effect, to the League in September, 1923. Claim to final or permanent membership was to be passed upon five years later, or in September, 1928. Great Britain opposed the admission of Ethiopia five years ago, but without success apparently owing to the support of France. Great Britain is understood still to oppose, and I am convinced has been strenuous in at least local endeavor to accumulate evidence on alleged slavery and other matters, some of it perhaps fanciful and much of it in my opinion without substantial basis, with which to fight the admission of Ethiopia to permanent membership in the League.

In the higher circles of contact in Addis Ababa, as well as in British territories (Straits Settlements, Ceylon and Aden) through which I have recently passed there may be found - if one knows where to look for it - a strong suspicion that Great Britain will make the Tsana dam concession, or some phase of it, one of the prices

of the withdrawal or neutralization of British opposition to permanent membership for Ethiopia in the League of Nations. The Ethiopians, at least, appear actually to believe this. Therefore, with his usual astuteness it would seem, the Prince Regent sent Doctor Martin to the United States last year on his mission to the J. G. White Corporation in order to hurry along British proposals on the above basis. This would seem good strategy as it places him in the position of attacker.

His Imperial Highness, Ras Tafari, does not, of course, really wish to give the contract to the British whom he fears and dislikes. But he will possibly do that and even more to attain his dominating ambition of permanent membership for Ethiopia in the League of Nations. Probably in his heart he wishes the concession to go to American enterprise, but naturally he must trade for political advantage where he finds it.

I have talked frankly about this matter with Ras Tafari, but he replies in effect that he must await British action before proceeding with the J. G. White Corporation. He appears to wish to evade any definite or instructive comment. I have had a friendly acquaintance with Ras Tafari for several years, and believe I can follow with reasonable accuracy his mental processes. And when he talks of Lake Tsana he is obviously ill at ease, and is just as obviously endeavoring to impress me that he isn't.

Somewhat

Somewhat more than a month ago the British Minister in Addis Ababa, Mr. Charles H. Bentinck, departed on leave. He told me that one of the main purposes of his trip to London was the Lake Tsana matter. He boasted of the leading position that he would play in the Tsana dam concession. On one occasion he went so far as to remark, after jocularly worded sarcastic comment upon the American position as the world Shylock, that in one situation at least (that of the Lake Tsana dam) Britain would have the last and final word.

Mr. Bentinck is a boyish - some say childish - and affectionate type of individual. His criterion of the ability of intellect and understanding of his fellow man is strictly one based upon the degree of distinction of family lineage; the latter preferably British. He is possessed of megalomania on the efficiency of British diplomacy with himself, of course, as one of the outstanding members. His vanity in general is one of the main amusements of the foreign community of Addis Ababa. He is also very jealous of American prestige in Ethiopia, and has been placed by gossip as among the clique who sought by suggestion rather than by direct statement to discredit this Legation even before my arrival here. These remarks are not offered in a spirit of personal criticism, but are considered necessary as an indication that the local British representative is reasonably pliable under skilled treatment, and is not difficult to draw out in his moments of elation or under stress

of other emotion. At the times I obtained glimpses of his thoughts, ambitions, and intentions in the Tsana dam matter he was much elated over the result of some presumably brow-beating conversations which he had had with Ras Tafari. What he told the Ras, or what the Ras told him, I do not know. But it had much to do with the present uneasy state of mind of Ras Tafari in the dam matter, if I may judge from my own conversations had with His Imperial Highness before and after the Bentinck conferences.

Mr. Bentinck is now in London with presumably the Lake Tsana dam as the most important matter on his mind. From the knowledge I have gained of his ideas and ambitions I suspect that he will endeavor to impress one of two views on the British Foreign Office. First, that the Tsana dam concession for British engineers should be the price of withdrawal or neutralization of British opposition to Ethiopia in the League of Nations. Second, that if the construction of the dam does go to other national enterprise the British Government can still insist upon water for the Sudan and Egypt at such rates as will either hold up the construction or make it financially unsound, unless there is forthcoming some such <u>quid pro quo</u> as certain exhorbitant frontier adjustments in rich Western Ethiopia or the facilitation of other British ambitions with reference to this country which under ordinary circumstances could not be attained.

<u>Now</u>

Now that, as outlined in my letter to the J. G. White Corporation transmitted with Despatch No. 18 of April 26th, 1928, the British Government has indicated its agreement (the unqualified sincerity of which is open to suspicion in view of British tactics in this country) to the Tsana dam being undertaken as an Ethiopian enterprise, it would seem likely that Mr. Bentinck's arguments will be along the lines of view number two above. Whether the British Foreign Office is capable of being so convinced our representative in London can estimate much better than I do or could.

The Ethiopian Government has in the past shown much skill in evading or postponing issues of this sort. Whether it will again be successful isn't of so much importance as the circumstance that the endeavor, and resulting maneuvers between the British and the Ethiopians, may place the Tsana dam matter in a cul de sac of inactivity and defer until September, or even indefinitely, the decision of most interest to the J. G. White Corporation.

I take as indicative of the uneasy state of mind of His Imperial Highness an approach made to me the other day by Belaten Gheta Herouy, Minister of Foreign Affairs. This official is an old friend of mine who was frequently in and out of my house during the periods of my tenure at Aden and Jerusalem in former years. He came to the Legation informally for a lunch a few days ago, but with the obvious purpose of whispering

to

to me that all the other Legations here were envious of the United States and would probably say things in an endeavor to deceive me as to the favor of the Ethiopian Government towards our country. He said that I shouldn't credit any such suggestions, and that if they seemed serious I should bring them at once either to him or to His Imperial Highness. I am convinced that his visit was by direct instruction of Ras Tafari because of the latter's suspicions that I know something of the undercurrents and suggested involutions of the Lake Tsana dam matter.

For several weeks past there have been going and coming in Addis Ababa a number of opulent acting and appearing Germans, of whom one of the more prominent is Major Hans Steffen, of Steffen & Heyman, Blumeshof 17, Berlin W. 35. An Armenian who has been interpreting for them, who professes a friendship for me dating from the time when I knew and favored him as a member of the Anglo-American Oil Company's exploration in Ethiopia, informs me that these Germans represent an Anglo-German combine which seeks the Tsana dam concession if exclusively British construction interests do not get it. He alleges that this group has both British and French support as against American participation. In other words it is apparently the British purpose to thwart or impede American ambition regardless of the eventual placing of the concession for the building of the dam. While I am inclined to believe

this man I should also state that he is probably motivated by a hope of selling me other information and documents which he claims to possess.

But two days ago Major Steffen came to see me and in what was intended to be a most casual manner he asked if I thought that the Germans and Americans could combine in the Tsana dam concession enterprise. I referred him, just as casually, to the J. G. White Engineering Corporation of New York. This Steffen, I hear through reasonably reliable channels of gossip, is holding out as bait for the Tsana and other concessions a present of a considerable amount of arms and ammunition and a wireless installation for the Ethiopian Government.

Having ventured already near to personalities I should perhaps go a bit further and cite certain observations with reference to the very able Doctor Wargneh C. Martin, who is sometimes referred to as Ras Tafari's "Colonel House". I do not believe the J. G. White Corporation should count too implicitly on his support without the payment of a substantial retaining fee. He is well known as an unusually suave and clever fellow. As a child he was taken from Ethiopia to India and thence to England. He was educated in Great Britain; married a British wife; and spent most of his life in a well paid position in the British government service in Burma. He is now retired on what I am told is a comfortable pension from the British Indian government. He has a grown son by his first and British wife who has just arrived in

Addis Ababa after completing his education in England. From my own impressions of Doctor Martin, and from the comment of others, I am convinced that he is thoroughly but never ostentatiously Anglophile. He is said to be a British subject. He may have become slightly infected with the Anglophobia prevalent in India, but not too much so for his own good and usefulness to British interests in this country. I am also of the opinion, based upon much gossip, that he has been bluntly informed by the local British Minister that he couldn't be otherwise than Anglophile and continue to draw without difficulty his comfortable retirement pension from the British Indian government. I heard this pension phase of the matter discussed by friends among officials in Malaya and Ceylon. No one can, of course, blame Doctor Martin if such is his attitude. It would be only natural for him. But I believe the J. G. White Corporation might be interested in this angle of the matter if, as is not improbable, it hasn't already come to their attention.

Doctor Martin has for some years been married to an Ethiopian lady of close connection with the present ruling family of the country. This connection, with his own superior intelligence, ability, and charm of manner, explains in part at least the close position which he holds in the Prince Regent's trust and confidence. He went to the United States in the dam matter upon instruction of the Prince Regent but with, in my opinion, full knowledge that the underlying motive of

the

the excursion was not primarily to procure immediate construction of the dam.

This despatch I am preparing at this time because of an opportunity which offers to have it carried by hand beyond Djibouti for posting. I believe, in common with my local colleagues other than the French, that there is always for official mail the liability of examination by the intelligence experts in the Djibouti postoffice. I would prefer to wait another month for the maturing of some of the views set forth in this despatch but they must be written now or I shall perhaps lose the chance of getting anything of the sort through to the Department within the near future. I am acting, therefore, on the theory that it is better to get through too much than too little. Nothing in this despatch appears to require immediate action. If later there is possibility for confirmation of the views set forth, as I feel there will be, nothing will be lost by waiting. If full confirmation is not forthcoming it does not appear that any particular harm will have been done. And the Department will have had before it certain angles of the situation which must in some respects influence the final outcome.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister Resident and
Consul General.

4 Carbon Copies
Received M. D. M.

2 carbons sent June 7 - MDM

THE J.G.WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES

J. G. WHITE AND COMPANY, INCORPORATED
THE J. G. WHITE MANAGEMENT CORPORATION
J. G. WHITE AND COMPANY, LTD., LONDON
THE ENGINEERS CORPORATION

CABLE ADDRESS
WHITENGCO, NEW YORK
A.B.C. 5TH AND 6TH
WESTERN UNION
SCOTT'S 10TH
BENTLEY'S

DEPARTMENT OF STATE
AUG - 6 1928
DIVISION OF
NEAR EASTERN AFFAIRS

INDEXED BUREAU
AUG 7 1928
DEPT. of STATE

Wednesday,
June 20, 1928.

The Hon. G. Howland Shaw,
Chief, Division of Near Eastern Affairs,
Department of State,
Washington, D. C.

Referring to NE - 884.6461/43

My dear Mr. Shaw,

As acknowledged during my absence (which was on a cruise up the Maine coast in a new schooner) your very kind letter of June 2nd was duly received by The J. G. White Engineering Corporation, accompanied by the letter dated April 26th, 1928, of the Hon. Addison E. Southard, Minister Resident and Consul General at Addis Ababa.

I want to tell you how much we appreciate your good offices and those of Minister Southard, which were particularly timely at this juncture.

While I was away a further communication was received by The J. G. White Engineering Corporation from the British Embassy, indicating that they had a further communication from the London Foreign Office which they invited me to hear.

I am going to Boston tonight to see them at Beverly Farms tomorrow and will later take steps to see

884.6461-Loans/8
AUG 8 1928
FILED

that you are kept fully informed of any developments that may occur, in return for your great kindness to us.

Again accept our thanks, and when you write convey our particular appreciation to Minister Southard, altho I judge it would be just as well, on account of the reported absence of privacy of communication, that reference to our having had a communication from the British Embassy be omitted since this might be misunderstood by our client, all of which I know you will fully understand.

Very sincerely yours,

Gano Dunn

Gano Dunn,
President.

G.

DOCUMENT FILE

NOTE

DECIMAL FILE BUREAU

1948 6461 - Dams Lam/46

SEE 550.48 A 1/179 FOR Inst. #11

FROM Abyssinia (Southard) DATED Aug. 2, 1928

NAME

1—1127 GPO

177
TO

REGARDING: the investigations of the Department concerning the admission to the League of Nations of Abyssinia in so far as it affects the negotiations of the J. G. White Engineering Corporation in the matter of theLake Tsana Dam project.

ja

AM RECD

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa, Ethiopia.

July 31, 1928.

DEPARTMENT OF STATE
OCT 6 1928
DIVISION OF
WESTERN EUROPEAN AFFAIRS

Delivered by private letter
to Mr. Dunn of J. J. White
Co. 8/27/28. Ltr.

DEPARTMENT OF STATE
AUG 2 1928
DIVISION OF
NEAR EASTERN AFFAIRS

CONFIDENTIAL

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L Heise, Archivist
Date 9-21-59

FOR DISTRIBUTION - CHECK
London
WSM

INDEX BUREAU
884.6461-Tsana dam/47
FILED
OCT 18 1928

Assistant Secretary
of State
OCT 15 1928
MR. CASTLE

Office of Economic Adviser
OCT 10 1928
DEPARTMENT OF STATE

No. 51 Copy Transmitted by The Commercial Office (A-O/O)
To London

The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my confidential despatches Nos. 43 and 44, of April 26th and May 5th, 1928, respectively, on certain features of the Tsana dam matter in which the J.G. White Engineering Corporation, of New York City, is interested.

The first cited despatch above covered a letter to the White Engineering Corporation in which was discussed a communication received by the Ethiopian Government from the British Foreign Office. This communication was replied to during the month of May. The reply I have not seen, but I understand that it states mainly the willingness of the Ethiopian Government to proceed with negotiations but places the burden of

initial

MG(NE)
10-5-28
D.H.T.

initial proposals upon the British Government. This, of course, is typically Ethiopian.

I am informed by the Prince Regent that no reply has been received from London, although there has been ample time for one. This I have more or less confirmed by inquiry also at the British Legation in Addis Ababa. There is a growing suspicion among the Ethiopians that the original British note, above referred to, was not entirely sincere. My despatch No. 24 suggests such as my own original opinion.

The latest news, received by me from a confidential source and confirmed by direct question to the person concerned, is that Doctor W. C. Martin who originally took up the Tsana Dam matter with the White Corporation will proceed very soon to London. He goes ostensibly on private business but I strongly infer, from his own remarks and those of others, that he goes also to obtain proposals from British capitalists and contractors who may be interested in the Tsana Dam. Should the Sudan agree to pay more for water stored behind a British built dam, as I hear rumored is the new line of attack, then the dam will be constructed accordingly if at all.

Some of the Prince Regent's advisers with whom I have discussed the matter are of the opinion that the British Government will not reply by mail but will communicate its attitude and further proposals through Mr. C. H. Bentinck, the British Minister at Addis Ababa now on leave in London.

Mr.

Mr. Bentinck is expected to return to Ethiopia about October. His probable attitude in the dam matter is set forth in some detail in my despatch No. 24 (44) which, to date, I have had no reason to amend. I have the conviction, based importantly upon Mr. Bentinck's own remarks to me, that he naturally feels it would be most regrettable should the dam be built without participation by British contractors and suppliers of material. During this summer while on leave he has doubtless overlooked no effort so to persuade the British Foreign Office.

The original note from London, mentioned in my despatch No. 18, (43) was probably prepared and sent off before Mr. Bentinck could get his activities well under way. The failure to reply by this time to the Ethiopian Government's note may well indicate that Mr. Bentinck's opinions and persuasions have finally had effect and that further effort will be made on behalf of British industry. We should soon know.

Mr. R. Dunbar, the present British Chargé d'Affaires in Addis Ababa, is a man with whom I have most friendly relations and whom I so far have no reason to suspect of duplicity. We have several times talked over various matters, including the less intimate features of the Tsana Dam, with mutual trust and satisfaction. He asked me recently what information I had on German pretensions with reference to the dam as the British Foreign Office had heard (presumably via the British Embassy in Washington) of the White Corporation's apprehensions in this connection. Although I referred to this feature of the situation on page 7 of my despatch

No. 24 of May 25th, 1928, the White Corporation, if concerned, has not taken me into its confidence. Obviously if it proposes to handle such matters through the British Embassy in Washington, or through other British sources, I shall be considerably handicapped in my own efforts here. Of course, it may not have done so, but I mention the matter from its Addis Ababa aspect.

I continue strongly to suspect, as suggested in my despatch No. 24, that the Ethiopians have no fixed intention of having the dam constructed at this time. I cannot positively know this - nobody can know it excepting the Prince Regent of Ethiopia and he will not tell - but I find it difficult to avoid being influenced in the suspicion by the circumstantial evidence and by my own carefully thought out knowledge of probable Ethiopian methods in the prevailing international political situation.

I can fully appreciate why the White Corporation, and perhaps others, would be inclined to accept at more or less face value the persuasive and perhaps convincing statements which may have been made by those with an axe to grind in connection with the Tsana Dam matter. But I have lived so many years in the Orient that I feel an urge to pick up these statements in order closely to examine what they may look like underneath. The picture thus revealed is sometimes of a different color and detail. Certainly such precautions can do no harm when confined to these confidential despatches. They may do a great deal of good and are not likely to prejudice a successful issue provided other conditions

are

are favorable. But I have what impress me as substantial circumstances for the views expressed, and they are here set forth from a sense of duty requirement in placing on guard the American interests concerned.

Any information in the Tsana Dam matter which comes to the Department or to the White Corporation would be valuable to me in Addis Ababa.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD

4 Carbon Copies
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In Quintuplicate to Department.

3 carbons rec'd in FA-Dept

3 CARBON COPIES TO FA-C/O
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Pol Sec
CB

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa, Ethiopia.

August 2, 1928.

.3088

DEPARTMENT OF STATE
AUG 31 1928
DIVISION OF FAR EASTERN AFFAIRS

Copy Transmitted by The
Commercial Office (A-C/O)
To Consulate General

DEPARTMENT OF STATE
SEP 1 1928
DIVISION OF WESTERN EUROPEAN AFFAIRS

884.6461/48
FILED
SEP 17 1928
MAIL AND RECORD BUREAU

No. 54

The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my confidential despatch No. 51 of July 31st, 1928, on the subject of Doctor W. C. Martin's visit to London and its possible connection with the matter of the Lake Tsana dam construction.

Today I have heard that Doctor Martin's departure from Ethiopia may have as an additional purpose membership in the delegation which will represent Ethiopia at Geneva in September when the matter of the permanent admission of this country to the League of Nations is scheduled to come up for discussion. Should this be true it is probable that Doctor Martin will spend some time in Geneva before going to London on

business

business having a possible connection with the Tsana matter.

Doctor Martin to date has no actual official position in the Ethiopian Government, although I have learned from him that he was recently offered the judgeship of the so-called Special Tribunal in Addis Ababa before which come all cases of litigation between foreigners and Ethiopian subjects.

O note
884.0413

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

no distribution

PREPARING OFFICE WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to J. G. White Engineering Corporation. 43 Exchange Place

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
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Washington, October 1, 1928.

This cable was sent in Confidential Code. It should be carefully paraphrased before being communicated to anyone.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept
By Ronald J. Hoist, archivist
Date 9-21-59

AMLEGATION

ADDIS ABABA (ETHIOPIA)

13

J. G. White Engineering Corporation request that you be informed as follows:

They have been awaiting with strictest confidence release of information given under authorization of Ras Tafari in your letter to them of April 26. In accordance with program discussed with Martin, they are also awaiting Ras Tafari's invitation to send representative to London to cooperate in working out agreement with British and Sudan Governments. They ask that you submit to Ras Tafari in their behalf an inquiry as to whether matters have advanced sufficiently to warrant discussion in London by all interested parties. They themselves consider the present time especially opportune to initiate such discussions in London.

White Corporation understand that Martin is now in England for his health. They would be glad to receive latest information you may have as to object of his visit there.

You will of course telegraph your reply to the foregoing

6461-Loans Alm 284/4

Enciphered by .....

Sent by operator ..... M., ..., 19....., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

PREPARING OFFICE
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TELEGRAM SENT

Department of State

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Washington,

going through the Department.//

Kellogg

No distribution

NE GHS/GC

Oct. 1, 192[illegible]

Enciphered by.....

Sent by operator.....*M.*, ..., *19*....., ...

Index Bu.—No. 50. GOVERNMENT PRINTING OFFICE 1—138

TELEGRAM RECEIVED

Pursued letter to U.S. White Eng. Corp. N.Y. City 10/5/28 EHS

EG

FROM GRAY

ADDIS ABABA

Dated October 3, 1928

Recd. 5 p.m. 4th.

Secretary of State

Washington

RECEIVED
OCT 4 1928
Dept. of State

DEPARTMENT OF STATE
OCT 4 1928
DIVISION OF
NEAR EASTERN AFFAIRS

Ans'd. 10/16/28 EHS

OCT 16 1928

October 3, 5 p.m.

884.6461-Isana Dam/48a

Referring to Department's telegram October 1, 6 p.m.

Discussion of the proposal may have to be deferred several days as the Prince Regent is now concentrated on coronation affairs. As to Martin please see No. 47 of July 31st. I will telegraph as soon as anything to report.

SOUTHARD

KLP

884.6461-Isana Dam/49

FILED

APR 3 1931

U. S. GOVERNMENT PRINTING OFFICE: 1928 J48256

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J.G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington,

October 16, 1928.

AMERICAN LEGATION

ADDIS ABABA

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz, Archivist
Date 9-22-59

17 Your October 3, 5 p.m.

White, Corporation, hopes that, suitable, opportunity, for, conversation with, Ras, Tafari, in the sense, of, Department's, 13, October 1, 6 p.m., will not be, greatly, delayed.,

Clark
Acting

NE GHS/GC

884.6461/49

884.6461/Jam/49

CR
Oct. 16, 1928

FILED
OCT 23 1928
BUREAU OF ACCOUNTS

Enciphered by

Sent by operator ..... *M.*, ... *19*....., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—138

AE

LLOYD ARMSTRONG
WALLA WALLA
WASHINGTON

DEPARTMENT OF STATE
OCT 8 1928
DIVISION OF
NEAR EASTERN AFFAIRS

RECD
BUREAU OF STATE
OCT 8 28

October 2, 1928

ack'd. 10/18/28
Lloyd Arm

October 19, 1928

884.6461

Secretary of State
Washington, D.C.

Dear Sir:

How come that the dam to have been built by Americans on the Nile in Abyssinia, is now to be built by Englishmen? . . The Americans, according to an article in the last Country Gentleman, were forced to give up construction of the dam, because of intensified British ppppaganda in Egypt and Abyssinia, for reasons given in the article.

The question can be asked why the State Department does not take cognizance of British propaganda against and detrimental to American enterprise abroad. Examples can be cited of British propaganda in South America, and the incident mentioned above.

Can you give me the name of the American firm that was to have constructed the dam?

Yours truly,

Lloyd Armstrong

INDEX BUREAU
884.6461 Irrigation/50

FILED
OCT 20 1928

STATEMENT OF ACCOUNT

United States of America

Dec. 31, 1922

ENGLAND, FRANCE & GERMANY, Dr.

To UNITED STATES OF AMERICA AND OTHER NATIONS:

ENGLAND, for creating a dominant empire, navy, control of the sea, etc., which caused international jealousies, apprehensions and war,	$200,000,000,000.00
FRANCE, for prewar and post war desire for revenge and reprisals against Germany,	$200,000,000,000.00
GERMANY, for desire to emulate England, fear of France and declaring war,	$100,000,000,000.00
TOTAL	$500,000,000,000.00

Loss of Life Value Incomputable.

PAST DUE PLEASE REMIT

[illegible] the information contained in the enclosure [illegible] pertinent to which you refer is not in accordance with the latest information available to this Department [illegible] matter on this subject.

I am, Sir,

Your obedient servant,

For the Secretary of State:

G. Howland Shaw

Chief, Division of Near Eastern Affairs.

A true copy of the signed original.

CR

Oct. 15, 1928

In reply refer to
NE 884.6461/50

October 17, 1928.

Mr. Lloyd Armstrong,

Walla Walla,

Washington.

S i r:

The Department acknowledges the receipt of your letter of October 2, 1928 concerning the construction of the proposed barrage at Lake Tsana, Ethiopia.

The information contained in the article of the periodical to which you refer is not in accordance with the latest information available to the Department on this subject.

I am, Sir,

Your obedient servant,

For the Secretary of State:

G. Howland Shaw

Chief, Division of Near Eastern Affairs.

NE GHS/LVL

CR

Oct. 18, 1928

A true copy of the signed original.

84 - 1947 - Dam/50

CLASSIFICATION CANCELED
Authority: letter 1-[illegible]
W. H. Anderson, S[illegible]

TELEGRAM RECEIVED By Ronald J. Heisz, Archivist

BC

Date 9-21-59

This cable was sent in confidential code. It should be carefully paraphrased before being communicated to anyone

FROM Addis Ababa

Dated October 18, 1928

Received 2:55 PM

Tel. to Addis 10/29/28 Jur.

OCT 29 1928

Secretary of State,

Washington.

RECEIVED
OCT 18 1928
Dept. of State

DEPARTMENT OF STATE
OCT 18 1928
DIVISION OF
NEAR EASTERN AFFAIRS

884.6461-Isana Dam/57

October 17, 11 a.m.

Referring to the Department's telegram of October 1, 6 p.m. 884.6461-Isana Dam/48a

I have discussed White Corporation proposal with King Tafari. He considers it strategically inadvisable to call conference until British Government replies to his inquiry concerning terms under which they will use water. He expects such reply with arrival of new British Minister in December. has not arrived as yet. Refer to my despatch number 67, September 20.

SOUTHARD

WSB

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APR 3 1931

U. S. GOVERNMENT PRINTING OFFICE: 1928 3-42256

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
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43 Exchange Place New York.
$ 36.36

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Department of State

Washington

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Authority: letter 1-8-58
PLAIN
W. H. Anderson, State Dept.
By Ronald L. Heinz, Archivist

Date 9-21-59

AMLEGATION

October 29, 1928.

ADDIS ABABA

18

Contents of your October 17th, 11 a.m., were communicated to J. G. White Engineering Corporation.

By way of reply they point out that for purely engineering reasons it would be difficult, if not altogether impossible, for British Government to reply to King Tafari's inquiry concerning terms under which water will be used and paid for unless engineering agreement is previously reached between White Corporation representing His Majesty's interests and the interests of American stockholders who would invest forty million Ethiopian dollars in Ethiopia under His Majesty's direction on the one hand and the British authorities on the other. White Corporation cannot but feel that a conference as described in Department's 13, October 1, 6 p.m., if held before the departure of the new British Minister for Addis, would conduce to the reaching of an agreement concerning the large sums which the British would be required to pay for water out of which sums would come returns to American capital as well as the important revenues accruing

to

31

Enciphered by

Sent by operator ..... *M.*, ... *, 19*....

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—128

800.6471 I-Iaam/51

PREPARING OFFICE
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TELEGRAM SENT

Department of State

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PLAIN

Washington,

to the Ethiopian Government.

White Corporation would appreciate your bringing the foregoing to King Tafari's attention.

Kellogg

GHS

NE GHS/GC

Drafted in consultation with Mr. Dunn.

No distribution

MWS

Enciphered by

Sent by operator ....*M.*, , *19*

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

DOCUMENT FILE

NOTE

SEE 883.6113/34 FOR #51

FROM Egypt (Gunther) DATED Oct 2, 1928
NAME
TO

REGARDING:

Conversation with the Minister of Public Works relative to control of the Nile in which he thinks that the Lake Tsana project should take precedence over Sobel Aulia, Lake Albert and the diversion of the Sudd Channel.

INDEX BUREAU
1—1127 G P O

884.6171-Lake Tsana Dam/52

Bulkeley, Ronald
Alexandria, Egypt
October 2, 192

No. 51

The Honorable,

The Secretary of State,

Washington, D. C.

Sir:

I have the honor to report that I had an opportunity today of discussing at length with Ibrahim Fahmy Bey, the Minister of Public Works, the general problem of Nile control to an understanding of which I have been considerably assisted by Vice Consul Lawton's thorough report of May 15th, 1927.

I was surprised to learn from the Minister that, in his opinion, the Lake Tsana project should take precedence over Gebel Aulia, Lake Albert, and the diversion of the Sudd channel. He seemed to think that the three above mentioned projects could wait even for twenty-five years. The only Nile engineering plan to which he gives precedence

over

over Lake Tsana is that for the heightening of the Assuan dam and the subsequent development of hydro-electric power at that spot.

After the Commission meets in November and December, next, to study the problem of the heightening of this dam, the Minister said he thought that a commission should proceed with the study of the development of power through waterflow at the dam. This is in line with some remarks recently made to me by the King, already reported to you. I asked the Minister whether he would not have an American engineer on that commission also and he said that he would like very much to have Mr. Hugh Cooper, but that the latter had intimated that he would not sit on this commission as an Italian expert had been considered by the last Egyptian Government in place of him. I observed that, in view of the confidence which he, the Minister, reposes in Mr. Cooper, I felt sure that the latter would be glad to reconsider his decision and added that in case he did not the Department would perhaps be disposed to consider submitting a list of American engineers - if asked to do so - especially qualified for this kind of work, from which the Egyptian Government could make its choice. This seemed to please him very much.

As telegraphed to you today in my No. 37, October 2nd, 3:00 P.M., 1928, the Minister of Public Works is most anxious to get in touch with Mr. Cooper.

In a personal letter to Mr. Southard of this date, I am informing him of the expressed views of the Minister in so far only as they have regard to the Lake Tsana project.

I have the honor to be, Sir,

Your obedient servant,

FRANKLIN MOTT GUNTHER.

FMG/JMR
E.I.C. Paris
CC to AmEmbassy, London.

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Department of State

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J.G.White Engineering Corporation
43 Exchange Place,
New York City.

Washington, October 29, 1928

2 o distribution

4 pm

AMLEGATION

ADDIS ABABA (ETHIOPIA)

19

White Engineering Corporation ask that you be informed that Harold White, who is due to reach Addis in latter part of November, called on Dunn, President of Corporation, and was given general account of Tsana Dam matter. He is not a representative of Corporation but bears friendly greetings for King and for yourself.

White Corporation received your letter of July 16 regarding Russian engineers and very much appreciate your helpfulness in this and other aspects of Lake Tsana matter.

Kellogg

NE GHS/LVD

No distribution

OCT 29 28

Enciphered by

Sent by operator *M.*, , 19, .

Index Bu.—No. 50.

884.6461/Tsana Dam/52a

TELEGRAM RECEIVED

DEPARTMENT OF STATE
NOV 6 1928
DIVISION OF
NEAR EASTERN AFFAIRS

McL

FROM Gray.

Addis Ababa.

Dated November 5, 1928.

Received 11.05 A. M. 6th

Secretary of State,

Washington.

November 5, 4 P. M.

Referring to Department's telegram October 29, 3 P. M.

King Tafari ill with infection. I will explain White proposition to him as soon as possible. New British Minister is reported to be already en route to Ethiopia.

SOUTHARD.

HPD

INDEX BUREAU
FILED
APR 3 1931

U. S. GOVERNMENT PRINTING OFFICE 1928

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

11/15/28

NEA

Before commencing upon
is interesting despatch
wondered whether you
nsidered it desirable
answer it by an
struction in which it
ught be possible to give
n. Southard an idea of
negotiations carried on
at this end. Or do you
think that anything of value
ld be gained by writing a
ter covering any views he may express?

EGATION OF THE
STATES OF AMERICA
Ababa, Ethiopia,

October 3rd, 1928.

CELED
-8-58
te Dept.
Archivist

DEPARTMENT OF STATE
NOV 1928
DIVISION OF
NEAR EASTERN AFFAIRS

No. 74.

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461-Tsana Dam/49

I have the honor to confirm my telegram of this date indicating that a proposal of the J. G. White Engineering Corporation for a conference in London on the Lake Tsana Dam matter could not conveniently and promptly at this time be placed before His Imperial Highness, Tafari Makonnen.

About every other time I have seen His Highness for conference, an average of two or three times a month, I have asked him about progress of the Lake Tsana proposition. He invariably replies that he is awaiting further word from the British Government as

to

884.6461-Tsana Dam/54

FILED

APR 3 1931

AE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa, Ethiopia,

October 3rd, 1928.

11:18
11:23

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist
Date 9-21-59

DEPARTMENT OF STATE
NOV 1928
DIVISION OF NEAR EASTERN AFFAIRS

~~CONFIDENTIAL.~~

FOR DISTRIBUTION

No. 74.

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461-Tsana Dam/49

I have the honor to confirm my telegram of this date indicating that a proposal of the J. G. White Engineering Corporation for a conference in London on the Lake Tsana Dam matter could not conveniently and promptly at this time be placed before His Imperial Highness, Tafari Makonnen.

About every other time I have seen His Highness for conference, an average of two or three times a month, I have asked him about progress of the Lake Tsana proposition. He invariably replies that he is awaiting further word from the British Government as

to

FILED
APR 3 1931

884.6461-Tsana Dam/54

to a proposed conference. As suggested in various previous despatches on the subject I am strongly inclined to the opinion that he is in no hurry to push the matter.

There is much local rumor that the recent Italian accomplishment in the negotiation of a treaty of friendship and of an economic convention, already reported upon at length from this office, has encouraged the British Government to expect a compensating concession of some sort in accord with the spirit of the Anglo-Italian Agreement of December, 1925. From such knowledge of the situation as may be gained locally it would seem reasonable to credit a renewal, on this basis, of British hopes in connection with Lake Tsana. This doubtless affords an additional reason for the Prince Regent's evident desire to postpone action in the Tsana matter.

His attention for some weeks past has been concentrated on his approaching coronation as King. Presumably also for a little while after that event on October 7th, 1928, he will not wish to be pressed on a matter of such potential difficulty in his international relations as that concerning the dam. His Highness always grants me an interview on request and I could doubtless see him fairly promptly, even in the enchantment of coronation matters. But I do not believe it discreet to urge the dam matter until his mind is in a more receptive state for business affairs. I expect to find an opportunity to submit the J. G. White

proposal

proposal to him sometime after October 15th.

I deduce from the Department's telegraphic instruction of October 1st, 1928, that the J. G. White Corporation has possibly heard directly from Doctor Martin. The Corporation suggests that Doctor Martin has gone to London for his health. That is probably true as he was not feeling well for some weeks before he left Addis Ababa. However, I opine that health matters do not necessarily provide the main or only reason for his journey. Other possible reasons have been suggested in previous despatches such, for instance, as my No. 51 of July 31st, 1928.

I do believe that Doctor Martin is keen to see something definite done in the dam matter, whether American or British interests assume therein the principal role. He is sufficiently interested in the progress of Ethiopia to realize that the building of the dam will likely be an initial step in an economic development of considerable magnitude. But such knowledge of the situation as may be gleaned from local sources does not indicate that he is committed to American as opposed to British participation.

The coronation of Tafari as King may be taken as a possibly favorable influence towards decision in the Tsana Dam affair. Under his new title he will have more extensive power than heretofore. He will have authority to decide on his own initiative matters upon which he has previously had to consult the Empress with resulting considerable delay or vacillation in arriving

at

at final results. I have no reason to suspect that the Empress has ever been opposed to American participation in the Tsana Dam construction, but I do believe that she would hesitate to place the final seal of her approval upon a project of such comparative consequence without thinking about it for a few years more. As one of the "old school" Ethiopians Her Majesty is inclined to distrust proposals for important changes in the country, and doesn't like to make decisions concerning such.

Should my opinion be correct that with his coronation as King the present Prince Regent will assume authority to decide entirely on his own initiative such matters as this Tsana one, we may expect earlier and more definite action than has heretofore been practicable or possible.

Perhaps it might be suggested to the J. G. White Corporation that Ethiopian procedure is Oriental procedure in effect, and that one of the important factors for which allowance should be made is a somewhat unique disregard of the value or urgency of time.

The Tsana Dam matter is always a live item in the business of this office. No opportunity is neglected to keep it before the Ethiopian Government. As previously reported, however, I am sometimes inclined to suspect the seriousness of Ethiopian intentions with regard actually to having this construction work undertaken. All is being done that is practicable to bring about an issue or a decision. Any developments of interest will be promptly

promptly reported to the Department, by mail or by telegraph according to circumstances.

I have the honor to be, Sir,

Your obedient servant,

4 Carbon Copies

Received --------

W.H.B.

ADDISON E. SOUTHARD.

INDEX BUREAU
NOV 1

CLASSIFICATION CANCELED
Authority: letter 1-8-58
E. H. Anderson, State Dept.
By Ronald J. Heise, Archivist 4:12
Date 9-21-59 4:25

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia, October 17th, 1928.

DEPARTMENT OF STATE
NOV 27 1928
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION

~~CONFIDENTIAL.~~

~~No. 81.~~

The Honorable

The Secretary of State,

Washington.

Sir:

884.6 Lake Tsana/1
Dam/51

I have the honor to confirm my telegram of this date reporting that I had discussed with His Majesty, King Tafari, the proposal of the White Engineering Corporation for a conference in London on the subject of the Lake Tsana Dam.

The King stated that he had many months ago requested the British Government to indicate its attitude as to what it would be willing to pay for water stored by the dam, and with what regularity and in what quantity it would be used. He feels that unless a definite agreement can be entered into for fixing

INDEX BUREAU
884.6 Lake Tsana Dam/55
APR 3 1931

fixing more or less the financial return expected the construction would not economically be justified. Apparently he does not consider that Ethiopia and the Ethiopians themselves would have any particular need for a dam. He is believed to look upon the matter as a business venture whereby he will store up water and sell it profitably — to the British.

As no reply has yet been received from the British Government His Majesty thinks that it would be tactically unsound for him to propose a conference; that such act on his part would indicate undue anxiousness and give the British an advantage in the bargaining which he feels is certain to develop. His Majesty further informed me that he had reason to believe that the first business to be taken up on the arrival within a few weeks of the new British Minister, Mr. S. P. P. Waterlow, would be this dam matter.

Such is the viewpoint of King Tafari. From my own knowledge of the situation I can agree that it would not be good tactics for Ethiopia to propose a conference until the British Government indicates its attitude in the pending question as to the terms and conditions of use of the Tsana water. And, of course, the matter of time means nothing to the Ethiopian. He is never in a hurry to do anything and is as a rule chronically a step or so behind in meeting engagements of any sort into which he enters.

I continue, as indicated in my previous despatches, to be inclined towards skepticism as to the absolute sincerity or intention of the Ethiopian Government to build a dam. There are reasons for believing that the construction may eventually be undertaken, and there are also circumstantial reasons of weight for feeling that it may not be undertaken within the next several years.

There is also, in my opinion, reason to suspect that the new British Minister when he arrives will make additional proposals for British construction of the dam. In such he will doubtless have Italian support on the basis of the agreement of December, 1925, between the two countries. Italian support may be reckoned on more definitely in view of the recent conclusion of the Italo-Ethiopian Treaty and Convention. This particular point of relationship between the two matters has been discussed in previous despatches.

Dr. W. C. Martin, in connection with whose recent presence in London the White Corporation presumably considered the proposal of a conference, is stated now to be en route to Ethiopia and due to arrive before the end of this month. I had heard that he would wait to travel out with the new British Minister. On second thought, however, I realized that such would be inadvisable from the viewpoint of a man of Doctor Martin's well known astuteness. I shall see him promptly upon his return and obtain all the information possible.

In

In summarizing, I may say that I have been consistently on the alert to bring about an issue in the Tsana Dam matter. Two important obstacles to obtaining action are (1) the possible lack of definite intention to build such a dam and (2) the very evident disinclination of His Majesty to displease the British. Further, the Government of the United States has no tangible concession to give in return whereas the British Government has various concessions to offer on a bargaining basis.

The Ethiopian Government has now procured the opening here of an American Legation. That ambition being satisfied, interest in things American tends to lag. One might reckon that there would be some form of active appreciation unless he happened to be familiar with Ethiopian attitude in never feeling responsible about debts, either moral or material, if such can be delayed and eventually avoided. Our situation is peculiar here in that for economic favor we are in competition with certain European powers which can make concessions of a material or tangible nature more easily estimated and realized by the Ethiopian mentality than the more or less intangible good will and perhaps moral support which we can offer.

On the basis of a cordial friendship of eleven years with His Majesty, King Tafari, during which I have seen him grow from a youthful ruler of insecure position uncertain of himself to a matured and unusually able

ruler

ruler with more or less secured position, I am not without personal influence of weight. But material considerations are likely to come first with His Majesty, as with the average Ethiopian, and there is little that we are able to offer in that category. It may, therefore, be seen that our possible accomplishments of economic value here are not to be arrived at without first overcoming certain handicaps or obstacles. While I continue optimistic I cannot conscientiously be enthusiastic.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received

W, H. B.

TELEGRAM RECEIVED

CLASSIFICATION CANCELED EG ~~This telegram must be closely paraphrased before being communicated to anyone.~~
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald T. Heiss, Archivist
Date 9-21-59

FROM ADDIS ABABA

Dated November 28, 1928

Recd. 3.16 p.m. 29th

Secretary of State

Washington

DEPARTMENT OF STATE
NOV 28 1928
DIVISION OF NEAR EASTERN AFFAIRS

Letter to Mr. Dunn & white envs 11/30/28 DC

November 28, 4 p.m.

884.6461-Tsana Dam/51

Referring to the Department's telegram of October 29, 3 p.m.

After exhaustive discussion on the Tsana matter with Tafari he declines to call proposed conference or take any other action pending further communication from British Government which he hopes to receive as soon as new British Minister will present letters of credence on December 2nd. My opinion is that the King has never yet definitely made up his mind that he will actually have the dam constructed.

SOUTHARD

KLP

884.6461-Tsana Dam/56

FILED
APR 3 1931

U. S. GOVERNMENT PRINTING OFFICE: 1928 3-48256

Personal.

November 30, 1928.

Dear Mr. Dunn:

A telegram from Mr. Southard, dated November 28, has just reached us. It is in answer to our telegram of October 29 and says that after a very full discussion on the Tsana matter with King Tafari the latter refuses to call a conference or to take any other step until a further communication has been received from the British Government. The King hopes that this communication will be received as soon as the new British Minister presents his letters of credence on the 2nd of December. Mr. Southard concludes the telegram by expressing his own personal opinion to the effect that the King has never yet definitely made up his mind to have the Dam actually constructed.

It looks to me as though the next move would have to be taken through British channels. I can't see that there is anything further that we can do here for the time being.

Very sincerely yours,

G. Howland Shaw

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

CR
Nov. 30, 1928

GHS/GC

TELEGRAM RECEIVED

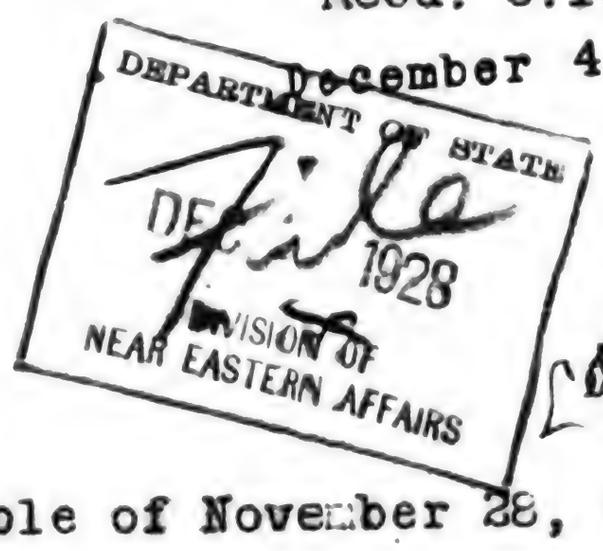
CLASSIFICATION CANCELLED
Authority: letter 1-8-58 ~~This telegram must be closely paraphrased before being communicated to anyone.~~ FROM
W. H. Anderson, State Dept.
By Ronald J. Heisz, Archivist
Date 9-22-59

ADDIS ABABA

Dated December 3, 1928

Recd. 6.10 a.m. 4th

December 4, 1928



Secretary of State

Washington

December 3, 4 p.m.

Referring to my cable of November 28, 4 p.m.

The King has intimated to me that communication from the British Government concerning Tsana Dam is delayed by British inability to get agreement or consent from Egyptian Government. No further details available here. December 3, 5 p.m.

SOUTHARD

WWC

JHB

884.6461-Tsana Dam/57

FILED

APR 3 1931

U. S. GOVERNMENT PRINTING OFFICE: 1928 748356

Personal

December 4, 1928.

Dear Mr. Dunn:

Another telegram from Mr. Southard has just reached us. It is dated the 3rd and says that King Tafari has intimated to Mr. Southard that the anticipated communication from the British Government on the subject of the Tsana Dam is delayed by the inability of the British to obtain the consent of or an agreement from the Government of Egypt. Mr. Southard concludes with the statement that no further details on this subject are at present available at Addis.

Very sincerely yours,

G. Howland Shaw

884.6461 - Tsana/57

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

NE GHS/GC

CR

Dec. 4, 1928 P.M.

884.6461/57

A true copy of the signed original

LEGATION OF THE

UNITED STATES OF AMERICA

Addis Ababa,

Ethiopia, November 5th, 1928.

DEPARTMENT OF STATE
DEC - 1928
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - CHECK
Yes No
To the Field
In U. S. A

884.6461-Isana dam/58
Num

AM RECD
BUREAU
DEC

No. 92.

The Honorable

The Secretary of State,

Washington.

884.6461-Isana dam

Sir:

I have the honor to comfirm my telegram of this date reporting that His Majesty, King Tafari Makonnen, was ill with influenza, and that I would as soon as possible convey to him, with appropriate persuasion, the message from the J. G. White Corporation given in the Department's telegraphic instruction of October 29th, 3:00 P. M., 1928. 52a

His Majesty has been ill for several days and sees no one. A written communication to him on the subject would be ineffective. There is no one else here with

power

APR 3 1931
FILED

power of action or decision in the Tsana Dam matter and I must, therefore, wait until the King is accessible in person.

The new British Minister, Mr. S. P. P. Waterlow, has evidently expedited his departure from London as I am informed by my colleague of the British Legation that he is already en route and is expected in Addis Ababa some time between November 21st and 25th.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

GHS
1932

Addis Ababa

No. 99 - November 16, 1928

Comment:

Both the despatch and its enclosure have been read with particular interest.

Is there any reason to believe that the influence of German interests is sufficient to enable them to secure Ethiopian support for their participation in the Lake Tsane construction or in other projects for economic development?

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

E.T.W.

Do you think it worth while to send a copy of this to Berlin with a special instruction to look into the matter of German-Ethiopian relations?

J.P.M.

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia, November 16th, 1928.

FOR DISTRIBUTION - [illegible] No

Embassy London
Embassy Berlin

DEPARTMENT OF STATE
DEC 1 1928
DIVISION OF
NEAR EASTERN AFFAIRS

9:25
9:30

No. 99.

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461-Tsana dam/44

I have the honor to advert to my Diplomatic Despatch No. 24 of May 5th, 1928, on pages 7 and 8 of which I mention German interest in the Lake Tsana Dam and refer particularly in that connection to the Berlin firm of Steffen and Heymann.

There has lately come to the attention of this Legation an article published in the German KOLNISCHE ZEITUNG of July 8th, 1928, in which considerable additional light is thrown on German interest in the Tsana matter. A translation from the German of this article has now been made and is enclosed herewith.

The

884.6461 Tsana dam/59

FILED
APR 3 1931

The author of this article is personally known to me as a man well acquainted with Ethiopia and general conditions here. Although known as the leader of scientific expeditions he was reputed to be also in the employ of the German Government. A few weeks ago I heard indirectly from him that he would soon be in Ethiopia with another expedition to the province of Kaffa.

I have also heard indirectly from Major Hans Steffen of the firm of Steffen and Heymann that he, too, would be in Ethiopia this winter. This same Steffen has, I understand, approached the American Trade Commissioner in Berlin for a contact with an American firm which would like to participate with his organization in a radio installation wanted by the Ethiopian Government. The Berlin Trade Commissioner has passed the matter on as a trade opportunity to the Paris office of the Radio Corporation of America.

The latter organization has written to this office and has been informed of my opinion that no such trade opportunity exists at present. As stated in my Despatch No. 24 of May 5th, 1928, I had heard that Major Steffen proposed to present the Ethiopian Government with a radio installation. This offer, to the best of my knowledge and belief, was intended as a bribe to influence favor with the Ethiopian

Government

Government for the German ambition to participate in the Tsana Dam.

From the best sources of information available to me here, and I believe them to be good, the Ethiopian Government does not seriously consider the purchase of important radio equipment at this time. Major Steffen has perhaps insisted that he be permitted to make a proposal for such installation to which the Ethiopian Government may have consented <u>without obligation</u> on its part. However, this has been sufficient for Major Steffen to approach the American Trade Commissioner at Berlin for contact with an American company on the radio proposition. This, according to Steffen's reasoning as it appears to me from personal acquaintance with him, should provide the bait to induce negotiations with American interests under cover of which can perhaps be advanced the main German objective of proposal for participation in the Tsana Dam enterprise.

Certainly the Germans are well able to take care entirely from their own resources of any order obtained for radio installation. Why would they invite American participation here? One reason is indicated in the preceding paragraph. Another possible reason is that they realize the superior American prestige in this country and would like to count on American official

support

support as represented by this Legation.

The conclusion is evident that German interests are determined in some way or other to gain a foothold in Ethiopian economic development and they appear to see American partnership in the Tsana Dam as one opportunity. I am somewhat surprised, however, that they do not appear to realize that the Tsana Dam may never be constructed; that the seriousness of the Ethiopian Government's intentions in the matter has to date been doubtful and remains yet to be demonstrated.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

1 Enclosure.

Enclosure.

(From the KOLNISCHE ZEITUNG No. 370, July 8, 1928).

--oOo--

THE TSANA LAKE PROBLEM.

By Max Gruhl

(Leader of the German Nile, Rudolph Lake, and Kaffa Expedition of 1926-26, and the German Ethiopian Expedition of 1927-28.)

--oOo--

Abyssinia has always been one of the most interesting countries of north-east Africa. This situation is brought about by the fact that in Abyssinia are found the source and tributaries of the Blue Nile, which are strikingly important in connection with the irrigation of the Sudan and Egypt. In view of the possibility of injuring the agricultural activity in the Sudan through a throttling of the waters of Lake Tsana lying in Abyssinian territory, Abyssinia occupies a similar position to that held by Morocco in earlier times and becomes a country of importance in relation to world politics. For not only England, who today holds sway in the territory of the Sudan as well as in Egypt, is casting an eager eye in the direction of Abyssinia, but also France, and especially Italy, both of whom are endeavoring to gain interests of the utmost importance there. These two countries, one on the Somali coast from Tadjura to Djibouti and the other in northern Eritrea and southern Somaliland, are bordering colonial powers of the Empire of the "King of Kings," as the Abyssinian rulers call themselves.

Aware of the importance of Tsana Lake for its purposes in the Sudan and in Egypt, England has repeatedly sought to gain influence in the determining of activity on this Abyssinian inland sea, which is nearly twelve times as large as Bodensee. With this idea in view England concluded a treaty on May 15th, 1902, with Menelek II, through the British Minister, Harrington. The third and most important article of that treaty is as follows:

> His Majesty, Emperor Menelek II, King of Kings of Ethiopia, pledges himself to the British Government not to conduct, or allow to be conducted, work of any nature on the Blue Nile, Lake Tsana or on the Sobat, which would arrest the flow of said waters into the Nile.

On the strength of this arrangement the English have several times endeavored to obtain authority for the regulation of the waters of Lake Tsana and have even attempted to gain control over Lake Tsana itself. This step, however, was finally unsuccessful due to the fact that the other two powers concerned failed to lend their approval

to

to such a move.

In 1925, England and Italy, by evasion of their respective parliaments, concluded a treaty through an exchange of notes from December 14th to 20th of that year between the Foreign Ministers of both countries. This treaty empowered England with authority to build a dam on Lake Tsana and granted Italy the privilege of constructing a railway from Eritrea, through Abyssinia, to Mogadiscio in Italian Somaliland. Neither the one nor the other of the two parties to this agreement consulted the chief interested party, namely Abyssinia, but pledged themselves to support one another until both had realized their aims. Not until 1926 did both parties venture to publish the contents of the notes exchanged between them. England's failure to realize her intentions, through the medium of this treaty, is explained by the fact that Ras Tafari, supported in his action by the public opinion of all countries, filed a protest with Sir Eric Drummond, General Secretary of the League of Nations of which Abyssinia has been a member since 1923. The note is as follows:

> When we were accepted into the Society of the League of Nations, we were told that all countries enjoying membership therein would be treated alike, and that their independence would be respected. We were not told that various members could agree among themselves to force their opinions upon another member.

This worthy, frank, but nevertheless impressive language of the protest note made an unmistakably deep impression on the members of the League; England and Italy, of course, were compelled to gloss matters over by a painful retreat. The practical application of the arrangement of 1925 had become impossible.

I happened to be on my first expedition to the country at this time and it was with the greatest pleasure that I was able to explain to the Minister for Foreign Affairs that the treaty of 1902 between Menelek II and England did not prevent Abyssinia from either building the dam at Lake Tsana itself, or allowing it to be built through a firm of a neutral power, say, by a company in America or Germany both of whom have no political interest in Abyssinia. In this manner, it would be possible to bring English policy before the eyes of the world and take the wind out of their sails as far as their own activity in building the dam was concerned. The above mentioned Article Three of the treaty of 1902 mentions only the hindering of the flow of the waters of Lake Tsana into the Blue Nile. Through the construction of the dam

Abyssinia would not only not hinder the flow of these waters, but, as a matter of fact, would benefit it. Consequently, England cannot competently raise protest on the grounds of the treaty to my suggested method of action by Abyssinia.

That the Abyssinian Government was in accord with my interpretation of the question was evident from the semi-official correspondence of Ethiopia issued by the Government, in the form of a public article, on August 10, 1927, in which it was stated that the construction of a dam by a neutral power would not violate the terms of the treaty of 1902. Then Dr. Martin Workener, a confidant of Ras Tafari, was sent to America in order to negotiate with a construction company with regard to the building of the dam at Lake Tsana, and, at the same time, to discuss a possible re-establishment of an American Legation in Addis Ababa. The White Engineering Company in talking the matter over with Dr. Martin expressed great interest in the proposed construction of the dam. It was presumed, however, that the English Government would consent to such a step, and that leading cotton circles in the Sudan would be willing to have diminished the corresponding amount of water. Such assurance was necessary before American capital could be obtained for such a project. The American Secretary of State, Mr. Kellogg, further explained to Dr. Martin that, although the project appeared to be very attractive, the American Government could be in no way connected with the matter if slaves were to be employed in the construction of the dam. Besides, it was of prime importance that the English Government give its consent to activity of any kind on Lake Tsana by an American firm. Otherwise the Government of the United States would not be interested. With regard to the re-establishment of an American Legation at Addis Ababa, the Secretary of State promised to appoint to this post Consul General A. Southard of Singapore.

The negotiations between America and Abyssinia were known before they had been concluded, due to an indiscretion in the various discussions. There followed such a storm of indignation in England that the two countries decided to forego the continuation of proceedings. The German Lake Tsana project also fell victim to this storm.

In the meantime, I had returned to Germany and had begun to make preparations for a second expedition to Abyssinia, namely, the "German Ethiopian Expedition." The economic section of this expedition also adopted the Lake Tsana problem as part of their program. The work of this group was under the direction of Major Hans Steffan who, as shareholder in a German export firm,

took

took a lively interest in the business affairs of Abyssinia. Since the "German Ethiopian Expedition," led by myself, could not support an economic project, the firm of Steffan and Heymann of Berlin decided to support the entire plan mainly as their own. Our proposal for the solution of the Lake Tsana problem was as follows:

1. The German Ethiopian Expedition 1927-28, which sets out in October of this year for Abyssinia, provided with friendly relations towards Ras Tafari and the Abyssinian Government, and whose Political Economy Group stand under the leadership of Major Steffan, will endeavor to negotiate with the Abyssinian Government with respect to the Lake Tsana problem.

2. Major Steffan will attempt to secure for his firm from the Abyssinian Government the concession for the regulation of Lake Tsana and the drainage of the Nile for a period of 99 years with the right to acquire a time extension.

3. With this concession the firm of Major Steffan in connection with a German-American banking group and construction company will undertake to finance and complete the project.

4. The group will, for a suitable indemnity from the English Government, lease for its disposal the usufruct of the dam with respect to its operations in the Sudan and Egypt. The rental sum and other considerations can be of such a nature that England will receive satisfactory guarantees with respect to the irrigation of the Sudan and Upper Egypt.

For the realization of the above-sketched project the following is of prime importance:

a. The probable consent thereto of the Abyssinian Government.

b. To create interest among the people of Abyssinia by broadcasting the fact that the holder of the concession and the builders of the dam will be German-American.

c. That England will receive a guarantee of full usufruct of the Lake Tsana basin as well as economic advantages for the Sudan and Upper Egypt.

The carrying out of this scheme would, from our point of view, satisfy all parties concerned. (GERMAN ETHIOPIAN EXPEDITION).

On

Enclosure.

On August 17th, 1927, long before the Abyssinian-American negotiations were known, this proposal was handed to the Secretary of Legation, Carnegie, attached to the British Embassy in Berlin, in the absence of the British Ambassador. The Legation Secretary, with a view to expediting the carrying out of our plans, promised to transmit the outline of the proposed project to the Foreign Office in London. A few days later we informed the German Foreign Office of our proposal. The representative of the Foreign Office, privy Councillor Baron von Richthafen, evidenced the keenest interest in our plan and made us promise to let him know as soon as we had received a reply from London. He declared, moreover, that our proposed project was exceedingly interesting, and that the German Foreign Office, of course, had absolutely nothing against it if, by such a scheme, a solution could be arranged which would meet with the approval of England. Besides, we dispatched information with regard to our plans to Ras Tafari so that all parties concerned were informed of our intentions.

The next step necessary to carry out our project was to find a German construction company which would be disposed to take on the work and which was financially strong enough to conclude such a task. We found such a firm in a large German construction company whose director declared that he would take the project in his hands in the event that the British were satisfied with such a proposition. He stated that there would be no difficulty in supplying the necessary amount, which he estimated at somewhere around 90 million marks.

On the 2nd of September a second conference was held in the British Embassy in Berlin. Secretary of Legation, Ingram, representing the Political Division of the British Embassy, was fully instructed with regard to our plan and stated mainly that it would be necessary to wait for some time before an answer from the Foreign Office would be forthcoming. First, the matter must take its customary bureaucratic course; further, at this particular time of the year a large number of Englishmen are away from London on vacation; and besides, the circle of personalities (which by the way is a very wide one) who would probably be called upon to deliberate in this matter, would require weeks of exhaustive preparation. It was suggested that perhaps it would be more practical for one of the interested gentlemen to travel to London and there to discuss the matter personally with Mr. Murray, Chief of the Egyptian, Sudan, and Abyssinian Division of the Foreign Office. This was decided upon in a following meeting at the German Foreign Office, and it was planned to make the trip to England in the middle of September.

I

Enclosure.

I considered it useful to thoroughly familiarize myself with the various features of the development of the German Lake Tsana project in order thereby to point out, on the one hand, that the German Ethiopian Expedition was actually a sincere move on the part of Germany, and on the other hand, to show that the proper English circles were aware of the German proposal. Both of these facts were denied in the press at the time when the discussion of the Abyssinian-American negotiations threw the German scheme aside. Was it impossible for the English at the same time to negotiate on a scheme with Germany? And yet, the building of the dam by Germany would be much more acceptable to the British than if America were allowed to construct it. It is only too well known that England is the strongest competitor of America in the production of cotton. Because the waters of the Blue Nile are principally important for the development of cotton production in the Sudan and in Egypt, England would, in the event that the dam is constructed by America, be setting the fox to keep the geese. Germany who has no interest in cotton production in the Sudan would be more impartial than the Americans. The latter is, as usual, exerting every effort to acquire from Abyssinia a concession to construct the dam. It is important, however, that we too do not lose sight of the project.

---oOo---

Enclosure to Diplomatic Despatch No. 99 of Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia, dated November 16th, 1928, on the subject of German interest in the Tsana Dam matter.

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

12/18/28

GHS
WSM

Addis Ababa

No. 98 - November 13, 1928

Comment:

The Division will follow this development with especial interest.

The offer of the port of Zeila, which from an Ethiopian point of view appears to have obvious advantages over Assab, would appear to be a well timed move on the part of Great Britain.

If such an offer materializes will it not be necessary for France xxxxxxxxxxxxxxxxx, in order to protect the railroad traffic, to make concessions regarding Djibouti?

PHA

AM RECD

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia, November 13th, 1928.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist
Date 9-21-59

~~CONFIDENTIAL.~~

DEPARTMENT OF STATE
DEC 1928
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRI
Embassy London

No. 98.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my Diplomatic Despatch No. 67 of September 20th, 1928, reporting the appointment of a new British Minister at Addis Ababa and suggesting that a change of British policy in this country might therein be involved.

Recently I have heard considerable "hush-hush" local gossip that the new British Minister would bring with him an offer to the Ethiopian Government of the port of Zeila in British Somaliland, with an accompanying corridor from the sea to the Ethiopian frontier. After some days of

effort

NONE
4-3-31

APR 3 1931

effort I have traced one of the channels of this gossip to an Ethiopian who on occasion does confidential work for His Majesty, the King. While this in no sense authenticates the gossip sufficient color is thereby lent to it to justify this brief report to the Department.

There are many circumstances which would suggest such action or thought on the part of the British Government. Owing to what is credited by gossip as innocent "bungling" on the part of the late British Minister to Ethiopia the normal prestige of Great Britain has somewhat deteriorated here. The alleged deterioration began, of course, with the unfortunate Anglo-Italian Agreement of December, 1925, and has continued by the above indicated inefficiency of the local British Legation. Settlement of various Anglo-Ethiopian frontier differences have lagged, and the great British ambition to build the Lake Tsana Dam has also gone unfavorably — on paper at least.

My own suspicions that King Tafari still occasionally and carefully feeds British hopes in the Tsana Dam matter have been intimated in various despatches on that subject. I suspect that he awaits, with unusual interest because of this connection, the arrival of the new British Minister. His Majesty has admitted to me that the new Minister will probably carry powers for discussion of the Lake Tsana

Tsana project to the end of enabling him to ascertain how and under what conditions the Sudan would take the waters impounded. It might reasonably be inferred from His Majesty's very evident interest, however, that intimation has been given of other messages or proposals carried by the arriving Minister.

Should Great Britain offer the port of Zeila in trade for the Tsana Dam and other British ambitions here there is no doubt but that the bargain would be quickly concluded. Zeila is much more favorably located than Assab where the Ethiopians have recently been given a free zone by the Italians. Zeila also is quite close to Harrar Province, the patrimony and favorite possession of His Majesty, King Tafari. A corridor, or road, from Zeila would lead directly to either Harrar city or another of the main towns of Harrar Province. It would also traverse territory reputed to hold promise of oil and other minerals whereas the Assab road would run two or three hundred miles over more or less unprofitable desert.

Whatever may be the basis of this gossip I feel that it has sufficient interest and pregnancy of possibilities to justify informing the Department. It will be closely followed and if sufficiently definite information is obtained a telegraphic report will be made. In any event I must infer from His Majesty's disinclination to frankness with me about

the

the Tsana Dam that he is expecting possibly attractive or important proposals in the connection upon arrival (about November 25th) of the new British Minister.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

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2 cys for note W. H. B.

PREPARING OFFICE
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PLAIN

Department of State

Washington,

J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

No distribution

December 19, 1928.

DEC 19 28

3 pm

Sent.

LEGATION
~~AMEMBASSY~~
ADDIS ABABA (ETHIOPIA)

25 For your information.

Before his departure, MacCreagh talked with Dunn, of White Engineering Corporation concerning Tsana Dam matter. MacCreagh is not however a representative of the Corporation.

Kellogg

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J Heise, Archivist
Date 9-22-59

NE GHS/GC

No distribution

CR
Dec. 19, 1928 pm

Prepared in consultation with Mr. Jano Dunn, Pres of the J. J. White Engineering Corporation.

Sent.

Enciphered by

Sent by operator ..M., , 19...., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

884.6461 - Tsana Dam/60a

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

12/29/28

CHS

Southard appears to have no inkling that the British are favorably disposed toward American construction of the dam (see bottom of page 3 and bottom of page 4).

Presumably the new British minister will be fully informed on this angle of the situation; he may or may not impart his knowledge to Southard. Under the circumstances may the latter not be working under a disadvantage by not being fully informed of the situation? It occurs to me that if the British are sincere it would be desirable to have the two ministers working in harmony and I wonder whether it might not be desirable to reconsider the advisability of telling Southard the whole story.

PHA/

RECD

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

November 28th, 1928.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist
Date 9-21-59

~~CONFIDENTIAL.~~

DEC 27 28

DEPARTMENT OF STATE
DEC 26 1928
DIVISION OF
NEAR EASTERN AFFAIRS

2:15
2:25

FOR DISTRIBUTION

No. 101.

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461-Tsana Dam/56

I have the honor to confirm my telegram of this date to the effect that His Majesty, King Tafari Makonnen, has declined to call the conference on the Tsana Dam matter proposed by the J. G. White Engineering Corporation, or to take any other action pending the receipt of further communication which he expects from the British Government.

In my despatch No. 98 of November 13th, 1928, and in other previous despatches, I have indicated the probable special interest with which the King has awaited the arriv-

al

INDEX BUREAU
884.6461-Tsana Dam/61
Confidential File.
Tsana Dam/61
APR 3 1931

NOTE
4-3-31

al of the new British Minister in connection with the Tsana Dam proposition. The new British Minister has now arrived and will present his letters of credence on December 2nd, 1928, after which he will presumably endeavor to press the Tsana Dam matter.

Since the receipt of the Department's telegraphic instruction of October 29th, 5 P. M., 1928, 3:00 P. M., I have twice and at length discussed with His Majesty the J. G. White Corporation's proposals for a conference. I have used much persuasion, which I could pursue to fairly persistent length because of my long friendship with the King, but without definite result. I am convinced that he must first definitely make up his mind that he wants the dam constructed and that, second, he must overcome his apparent present reluctance to oppose British desires and decline the profitable concessions or payments which they are willing to make towards acquiring the Tsana Dam.

I have endeavored in my various despatches to place before the Department my opinion that the King originally had the White Corporation approached in the Tsana matter not because he had any clear or definite idea of building a dam but because he hoped by such action not only to uncover British attitude in certain matters of political interest to him but to provide further apparent reasons for the opening here of the

American

American Legation which he has for many years sought. Knowing the Ethiopian mind as I do I feel certain that there were still other although minor motives. The White Corporation has made the perhaps natural error of accepting the original Ethiopian advances as of the same definite quality and value as if coming from Occidental sources. They were not so intended. The Ethiopian mentality and temperament may be generally classified as basically Oriental functioning along especially involute and indirect lines peculiar to this country alone.

The Ethiopian does occasionally accomplish things, and is serious in some of his activities. But he follows more or less pertinaciously his own frequently vague methods. He is never in a hurry and is puzzled and moved to passive resistance by those who do seek or desire reasonably prompt action. I have not yet been able completely to fathom his mind in the Tsana matter which I have followed off and on for nearly a dozen years. Certainly the Ethiopian mind has never yet been definitely made up as to the construction of the dam. I also believe it possible that a definite decision will now not long be deferred. I further believe this Legation able to accomplish the greatest possible results in the face of competition with the more material inducements offered by British and perhaps other interests.

interests. No effort to that end has been, or will be, spared. But the Ethiopian will not be hustled. That has been amply and expensively demonstrated by the various Occidental interests which have had, and have, aims in this country.

I regard the Tsana Dam project as the major activity of this Legation and it receives constant attention. We are doing all that is practicable to push the project towards the tangible shape which the J. G. White Corporation probably thought had already been arrived at on the occasion of Dr. W. C. Martin's visit to the United States. At that time it was little more than an idea springing from various motives which have on previous occasions been discussed or intimated from this office. In illustration it might be remarked that the British have been working on the Tsana Dam project for many years during the last fifteen or twenty of which they have on various occasions been almost near enough to grasp it. The pendulum swung very far away from them, or so it seemed, when Doctor Martin was sent to the United States. Now it is swinging back. Whether British or American interests can catch it seems still more or less conjectural. Final decision may be had in the next week, the next month, the next year, or the next decade. In the meantime the Ethiopian is in no hurry and may even be getting some diversion out of the situation. He will also, as usual, be receptive to such cash or other

material

material inducements as may become available.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

WHA:
KW
W.H.B.

RECD

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

December 3rd, 1928.

JAN 4 29

DEPARTMENT OF STATE
JAN
DIVISION OF
NEAR EASTERN AFFAIRS

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist
Date 9-21-59

FOR DISTRIBUTION - CHECK	Yes	No
To the Field		
In U. S. A		

No. 104.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to confirm my telegram of this date stating that His Majesty, King Tafari Makonnen, had intimated to me that British action in the Tsana Dam negotiation was delayed by difficulties with the Egyptian Government.

Neither the King nor any one else here appears to be well informed in the matter. However, the report current is that the British Government will delay making any further proposals to the Ethiopian Government

Tsana Dam/62

FILED
APR 3 1931 E

Government concerning the Tsana Dam until it shall have obtained the consent of the Egyptian Government. The Egyptians appear to be holding out for guarantees from the British Government which the latter is reluctant to give. I regret that I can obtain no more detailed information here, but this intimation of a probable situation may enable the Department to elicit details from either Cairo or London.

In further connection with the Tsana Dam subject I wish to refer to my Diplomatic Despatch No. 99 of November 16th, 1928, concerning German interest in the project. I have been informed by my German colleague here, Dr. Curt Pruffer, that he is starting off about the middle of December for a trek from Addis Ababa to Asmara in the Italian colony of Eritrea. Lake Tsana is on the route and I asked him if he would see it. He said that it would be one of the points of interest on his trip. Doctor W. C. Martin and others have told me, however, that the German Minister's trip has as its main objective the visit to Lake Tsana and that the stated objective of Asmara is merely incidental. It is not apparent that Dr. Pruffer can do anything important in the matter by merely going there but I report his proposed trip as of further significance in connection with the German interest reported in previous despatches.

Captain

Captain Harold White, mentioned in the Department's telegraphic instruction of October 29th, 1928, has arrived and was taken by me a few days ago for presentation to His Majesty, the King. He gave the King a fine tiger skin and 6,000 feet of cinematograph film. He said nothing about the Tsana Dam on this occasion but I have heard from other sources that he will seek an audience with the King for purpose of discussing it.

I suspect that matters will in no way be helped if he discusses the Tsana Dam with the King but I have not, of course, intimated anything of the sort to Captain White, whom I have found an agreeable and most creditable type of American. If and when he mentions to me his purpose in this connection I shall afford him all possible assistance. I do know, however, that the King prefers to keep the discussion in its present status between himself and the Legation, unless an actual and fully accredited officer of the White Corporation should come. I understand that Captain White does not so qualify.

I shall hope to persuade Captain White to use the Legation interpreter should he discuss Tsana with the King. His favorite interpreter here is one David Hall, local agent of the Field Museum of Natural History. David is racially a combination of at least German,

Ethiopian

Ethiopian and Armenian blood, and is thus well equipped for his work here. He is a German citizen and is considered an astute and perhaps devious schemer who serves as a local intelligence agent for the German Legation and for various German business enterprises interested in Ethiopia. Among the latter is the Berlin firm of Heymann and Steffen, mentioned in my Diplomatic Despatch No. 99 of November 16th, 1928, as particularly interested in the Tsana Dam. These German interests will promptly have the benefit of all information, with possible embellishment, which comes to David Hall.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD

Carbon Copies
Received

W.H.B.

TELEGRAM RECEIVED

EG ~~This telegram must be closely paraphrased before being communicated to anyone.~~ FROM

ADDIS ABABA

Dated January 4, 1929

Recd. 9.25 a.m. 5th

Secretary of State

Washington

January 4, 4 p.m.

~~CONFIDENTIAL.~~

RADIO BULLETIN RECEIVED JAN 8 1929 DEPARTMENT OF STATE

DEPARTMENT OF STATE JAN 5 1929 DIVISION OF NEAR EASTERN AFFAIRS

JAN 23 1929

Referring to my various previous despatches.

The new British Minister has now conferred with King Tafari on the Tsana Dam matter. As a result Tafari asked me to communicate to the White Corporation his desire that it send at once a qualified representative to discuss with him here details preliminary to closing possible contract. I have again suggested to the King a conference in London but he declines.

SOUTHARD

WWC

FILED JAN 23 1929

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald T. Weiss Archivist
Date 9-21-59

Tel. Addis Ababa 1/23/29 Sent.

AE to White Corporation Letter Energy 1/5/29 GAS-S January 6, 1929

File No. 884.6461-Tsana Dam/63

January 5, 1929.

Personal

Dear Mr. Dunn:

Confirming the telephone conversation which I have just had with you, the following is a paraphrase of a confidential cable from our Legation at Addis Ababa, dated January 4:

> A conference has been held on the Tsana Dam matter between King Tafari and the new British Minister. As a result of this conference I have been requested by His Majesty to communicate to the J. G. White Engineering Corporation his desire that the Corporation immediately send a qualified representative to Addis Ababa to take up and discuss with the King the details preliminary to the conclusion of a possible contract. The idea of a conference in London was once more suggested by me to the King. His Majesty however declined.

Sincerely yours,

S. Rowland Shaw

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

MK GHS GC

884.6461/63

Jan. 5, 1929

884.6461/63

Personal

January 14, 1929.

Dear Mr. Dunn:

I suppose that in the near future you will let us have, for communication to Addis Ababa, some sort of a message indicating when your representative can leave for Ethiopia in accordance with King Tafari's request. Personally I should think it would be a wise precaution to give King Tafari as little time as possible in which to change his mind. I do not of course mean to convey the impression to you that I have any specific reason for believing that he will change his mind. Nevertheless, such a possibility is always to be envisaged in any Near Eastern country and I think that it therefore deserves to be taken into consideration.

With kindest regards,

Sincerely yours,

G. Howland Shaw

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

CR
Jan. 15, 1929 Pm

ME GHS/GC

A true copy of the signed original.

84.6461 - Iran Dam/6

3

DOCUMENT FILE

NOTE

DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
8 8 4

SEE 031.11 American Museum of Natural History(Abyssinia)/18 FOR #103

FROM Abyssinia (Southard) DATED Dec. 3, 1928
TO NAME

1—1127

REGARDING: Interest of Gordon MacCreagh, leader of the Expedition, in the Tsana Dam.

Dam
6461 - Tsana Dam/64

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

December 14th, 1928.

DEPARTMENT OF STATE
JAN 19 1929
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
JAN 11 1929
DIVISION OF
FAR EASTERN AFFAIRS

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisel, Archivist
Date 9-21-59

FOR DISTRIBUTION
Embassy London

No. 110.

The Honorable

The Secretary of State,

Washington.

Copy Transmitted by The
Commercial Office (A-C/O)
to London

Sir:

I have the honor to submit the following comment which I believe finally summarizes at least the main influences which have been and may still be used in pressing the Ethiopian Government to favor British ambitions in the Tsana Dam project.

In various despatches, beginning with No. 24 of May 5th, 1928, an endeavor has been made to show that one British influence of considerable value in the Tsana negotiations is in effect a decision whether to press or whether not to press before the League of Nations

FILED
JAN 24 1929

Nations the question of slavery in Ethiopia. In other despatches, of which one was No. 98 of November 13th, 1928, mention has been made of the possible cession to Ethiopia of the Somaliland port of Zeila as constituting another influence. In my Despatch No. 108 of December 11th, 1928, reference is made to the use which the British might make of Ras Hailu's dissatisfaction to influence King Tafari to give more favorable consideration to their Tsana designs. The following paragraphs discuss a fourth major influence of possible British use in the paramount issue of their current relations with Ethiopia.

First, it may be reiterated that the state church of Ethiopia is very powerful and influential in temporal affairs. It practically dominates the Empress and many Ethiopian notables of the older generation. Their zeal and tenacity in religious affairs are greater than in any other matter of state or life. These all constitute a force with which King Tafari must always reckon in his government of the country. This relation of the church to the state is a subject which will provide material for a somewhat lengthy report from this office as soon as the considerable task of collecting information shall have been completed and the writer finds the necessary time for its preparation. Church and state relation are mentioned here in passing mainly to indicate the importance of the question I wish to introduce of British

participation

participation in the restoration of Ethiopian church properties in Palestine.

The comment in the following paragraphs is based on information obtained from various sources but is interpreted in the light of my actual contact with the Ethiopian church property question in Palestine during my tenure as Consul at Jerusalem, and as modified by further inquiry during my present sojourn in Addis Ababa.

The question goes back to activities begun in the Fourth Century, A.D.; initiated by the Emperor Constantine for the recovery of the Holy Sepulchre in Palestine. The history of these activities is recorded in detail in many places and is not essential to this despatch. They are mentioned to introduce Helena, the mother of the Emperor, who allegedly discovered the three crosses and other exhibits connected with the Crucifixion. The Ethiopians claim that Helena, called Saint Helena in their records, bequeathed to them certain properties in and around the Holy Sepulchre. How this came about has not appeared in any of the records I have read. Another, but less practical, claim is that Solomon gave the properties to Sheba for her son Menelek.

With the rise and fall of the fortunes of Christianity in the Holy Land the Ethiopians claim to have built and rebuilt churches, convents, and related

appurtenances.

appurtenances. They were associated with the Copts, of whose church they are a branch and from whom the Ethiopian pope (Abouna) always comes, and with the Armenians. History appears to be more or less accurate to the effect that the Copts and Armenians in time, by fair means or otherwise, manoeuvred the Ethiopians out of most of their real estate holdings in the area of the Holy Sepulchre. Up to a hundred years ago, a little more or less, the Ethiopians appear to have been in possession not only of a church and convent of their own, but of the Coptic church and convent, and various property used by the Armenians. With alleged Turkish cooperation the Copts and Armenians were able by degrees to dispossess the Ethiopians until in 1920 when I first visited them in Jerusalem they had only the more or less miserable ruins of one convent in which to live. They had then to depend upon Coptic and Armenian generosity even for a place to carry out their religious devotions.

The Department's library doubtless contains a full account of the establishing of the Anglo-Prussian Bishopric in Jerusalem about 1842 for the protection of Protestants. The King of England appointed the first Bishop and the King of Prussia the second. Such was to continue as the order of appointment. The second appointee was Bishop Samuel Gobat (a German-Swiss) who at one time had spent a considerable period of missionary effort in Ethiopia and knew the language and people.

He

He reigned in Jerusalem from about 1845 until 1879. He naturally — because of former connections — interested himself in the protection and friendship of the Ethiopians in the Holy Land and was later assisted by the British Consul at Jerusalem. The latter acted on instructions as to using "good offices" received in 1852 from the British Government which was in turn at least indirectly influenced by appeals from Ethiopia. This situation, beginning about the middle of the last century and continuing around thirty years, has always been assumed by the Ethiopians and interpreted by some alien writers as constituting officially recognized British protection of the Ethiopians in the Holy Land.

The protection in question was sometimes active and sometimes inactive, but apparently never productive of really material results. The anger of King Theodore, which resulted in the imprisonment of Consul Cameron and other British subjects and the Napier Expedition to Magdala in 1868, is said to have arisen out of what he considered bad faith of the British in failing effectively to carry out the protection of his people in the Holy Land to which he considered they had officially pledged themselves. The historic anger of King Theodore had other causes, but it is quite probable that this was one of them.

At the time of the rise of Emperor Menelek II the Russians were among the European Powers eager to estab-

lish

lish relations with Ethiopia. They opened a Legation lavishly equipped and staffed. They represented themselves as practically of the same religion as the Ethiopians and endeavored to build economic and political relations on that basis. They were fairly successful and enjoyed much influence in this country until the World War got well under way. A while before the war the Russians arrived at an understanding with the Ethiopians whereby they would endeavor to recover the Holy Land properties of the latter in return for a share. Twelve plots of ground were claimed by the Ethiopians. Two of these were to be ceded to the Czar if and when recovered.

The Russians are stated to have been able to collect sufficient documentary evidence from the Turkish archives in Constantinople to establish Ethiopian claims. The war intervened. The documents collected were fortunately taken out of Russia before the Bolshevist regime came into being. After the war they were presented to the then Prince Tafari by the Grand Duke Alexander and were in turn given to Baron B. Nolde, international lawyer and late member of the Permanent Court of Arbitration at The Hague. Baron Nolde has delivered an opinion (in 1925) upholding the validity of the claim established by these documents. By this opinion the Ethiopian Government now hopes to recover its Holy Land properties.

On

On this and prior bases Ethiopia has appealed to the League of Nations. As I understand the machinery provided by the League of Nations for handling such matters the hearing of the Ethiopian claims must be before a Commission established by the British Government as the Mandatory for Palestine. This Commission can only be established by concurrence of all the Powers represented in the Council of the League, or so I am informed. Obviously British perseverance is the main hope of the Ethiopians. British perseverance may conceivably depend upon the cultivation by the Ethiopians of British good will. Conclusion as to the suggestions presented in the second paragraph of this despatch appears obvious.

To the Empress of Ethiopia, and to many of her party, as well as to the state church, this question of their property rights in the Holy Land looms as of greater importance than any other matter which might claim their interest. In other words the Empress would possibly go to extremes in the matter of concessions to the British if by so doing she could insure restoration to Ethiopian ownership of their former churches and convents in Palestine. She is a very devout and religious woman — religion is practically her only interest — and any notable accomplishment for the church would be more desirable to her than life itself. King Tafari is also apparently

devout,

devout, as he or any other Ethiopian ruler must be to hold favor before their subjects. However, it is not believed that he would so blindly devote himself to such objective as voluntarily to yield to the British in matters like the Tsana Dam which might involve effects not apparent to the less practically minded Empress.

This is truly a most vulnerable spot in Ethiopian resistance to British Tsana Lake plans. It is difficult to believe that the British do not so realize and that they will not take full advantage of it. I am unable to gain any reliable information here that assistance in the Holy Land properties question has come up either directly or by inference in discussion concerning the Tsana Dam. I am inclined to the opinion, however, that it either has or will eventually be introduced. My opinion is, of course, based upon direct and firsthand observation over a period of twenty years of British activities in the Near East and Far East.

Adverting to the period of my service in Jerusalem I may record that I have direct impression of the importance which the British place upon the value of Ethiopian dependence upon them in this matter of the Holy Land properties. In the winter of 1921-22 an Ethiopian commission came to Jerusalem to take up with the High Commissioner, Sir Herbert Samuel, the

question

question of their religious properties. The commission brought to me a letter from the then Prince Tafari asking my assistance. My recollection is that after correspondence with the Department I was authorized to assist the Ethiopians by the use of my "unofficial good offices." I went with them to the High Commissioner and later to the Governor of Jerusalem, at that time the present Sir Ronald Storrs who is Governor of Cyprus. The Ethiopians were informed by the High Commissioner and Governor, as I had advised them could be the only reply, that the matter was not one within their jurisdiction. Nothing was accomplished. The conversations did, however, enable me to obtain the impression suggested in the opening sentence of this paragraph.

The visit to Jerusalem was, of course, before the conclusion of the Mandate and the opinion of Baron Nolde upon which the Ethiopians feel sure they will gain a decision if and when the British Government is able to set up the Commission provided by League of Nations machinery based, presumably, upon Section 304 of the Treaty of Versailles.

In preparing this despatch my purpose has been to record another influence which might be of use to the British in pressing for favor in the Tsana Dam project. I have necessarily presented in quite sketchy manner the interesting and voluminous history of the Ethiopian Holy Lands question. Having a great deal more to do in the

way

way of political reporting than the routine of this office gives me the time for I must endeavor to condense my despatches to apparent essentials. I am able and prepared to elaborate many of the topics touched upon in this despatch should the Department require and so indicate.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

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2 Copies for notes
W.V.W.

1 CARBON DESTROYED IN ACCT
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Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz Archivist
Date 9-21-59

PREPARING OFFICE
WILL INDICATE WHETHER
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TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE and Green
NONCONFIDENTIAL CODE
PLAIN

Department of State

Charge to J.G. White Engineering Corporation,
$ 43 Exchange Place,
New York City.

Washington, January 18, 1929.

No distribution

3 Pm
JAN 18 29

AMLEGATION

ADDIS ABABA

This cable was sent in Confidential Code. It should be carefully paraphrased before being communicated to anyone.

3 ~~STRICTLY CONFIDENTIAL.~~

MacCreagh has cabled Dunn of White Corporation as follows:

QUOTE Dr. Martin's splendid work Lake Tsana conference officially communicated United States Department of State. Have you any instructions for me. END QUOTE

Please telegraph briefly your comments.

Kellogg

WK

NE GHS/GC

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L Heiss, Archivist
Date 9-21-59

No distribution

Jan. 18 1929

Enciphered by ...

Sent by operator ... *M.*, ... *19*...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

884.6461 - Tsana dam/65a

SUBJECT

Water Power --- Ethiopia.

Construction of the Lake Tsana Dam.

DATE

1-21-29 --- 7-29-29

CASE NUMBER

884.6461-TSANA

DAM

100 Tsana 96

884.6461/100

JACKET No. 3

Please do not disarrange or remove papers from this jacket or deface jacket with office stamp or notations.

1—1236 U. S. GOVERNMENT PRINTING OFFICE: 1928

TELEGRAM RECEIVED

Later to Mr. Dunn
2 copies to Addis
1/23/29
5.9c

ADDIS ABABA January 23, 1929.

Dated January 21, 1929

Recd. 8.20 a.m. 22nd.

DEPARTMENT OF STATE
JAN 22 1929
DIVISION OF FAR EASTERN AFFAIRS

~~IG This telegram must be closely paraphrased before being communicated to anyone.~~
CLASSIFICATION CANCELLED
Authority: letter 1-8 from W. H. Anderson, State Dept.
By Ronald L. Heinz, Archivist
Date 9-21-59

JAN 22

Secretary of State

Washington

4. January 21, 5 p.m.

65a

Referring to the Department's telegram of January 18, 3 p.m.

I do not understand MacCreagh telegram to Dunn. The King is awaiting reply to my telegram of January 4, 4 p.m. to the Department stating his desire that White Corporation send here at once qualified representative to discuss details preliminary to closing possible contract for the dam.

63

SOUTHARD

FR

JHB

INDEX BUREAU
884.6461-Loans/96

FILED
APR 3 - 1931

U. S. GOVERNMENT PRINTING OFFICE 1929 3-45256

File

January 23, 1929.

Dear Mr. Dunn:

I enclose paraphrases of the various messages which we discussed this morning.

Sincerely yours,

G. Howland Shaw

Enclosures: (3)
Paraphrases.

Mr. Gano Dunn,
President, J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

HK GHS/GC

CR
Jan 23. 1929 PM

A true copy of the signed original.

894.6461 - Loans Plan/6

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz, Archivist
Date 9-22-59

PARAPHRASE OF TELEGRAM
TO AMERICAN LEGATION, ADDIS ABABA,
JANUARY 23, 1929.

The following is for your confidential information. As set forth in the Department's telegram of December 19, Gordon MacCreagh is not a representative of the White Engineering Corporation. A reply however is being sent by Dunn to MacCreagh's message quoted in the Department's telegram of January 18. Dunn's reply, which is a personal message, is as follows:

QUOTE Thanks for your letter sixteenth. Did not know Dr. Martin was in Ethiopia. Regret Museum expedition situation about which have just heard. (Signed) (Dunnigan) END QUOTE.

PARAPHRASE OF TELEGRAM
TO AMERICAN LEGATION, ADDIS ABABA,
JANUARY 23, 1929.

With reference to your message of January 4, it is requested that in behalf of the White Engineering Corporation you reply to King Tafari in the following sense:

The White Engineering Corporation are most happy to comply with His Majesty's request at which they are profoundly gratified. At the earliest moment they are sending a special representative of their president to Addis. They are selecting one of the very small group of their principal officers, having in mind the importance of the Tsana work. This officer/who has been absent from New York for some time has been ordered to return in order to proceed to Ethiopia as His Majesty King Tafari has requested. As soon as the necessary arrangements can be made His Majesty will be informed of the date of departure.

PARAPHRASE OF TELEGRAM
FROM AMERICAN LEGATION, ADDIS ABABA,
DATED JANUARY 21, 1929.

The telegram which MacGregor has sent to Dunn is not understood by me. His Majesty King Tafari is awaiting a reply to my telegram of the fourth of January. In that telegram I stated the King's desire that the White Engineering Corporation send at once to Addis a representative qualified to discuss the details preliminary to the possible conclusion of a contract for the Dam at Lake Tsana.

PREPARING OFFICE WILL INDICATE WHETHER

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OR

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Department of State

TO BE TRANSMITTED

~~CONFIDENTIAL CODE~~

NONCONFIDENTIAL CODE

PLAIN

J. G. White Engineering Corporation,
43 Exchange Place,
New York City

Washington,

No distribution

February 15, 1929.

6P

FEB 15 25

It should be ... being communicated to anyone.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
Wade H. Anderson, State Dept.
By Ronald L. Heisl, Archivist
Date 9-21-99

AMLEGATION

ADDIS ABABA

~~STRICTLY CONFIDENTIAL.~~

Department's 4, January 23, 6 p. m.

Representative that White Engineering Corporation desires to send to Addis because of his particular qualifications and standing with White Corporation has been held in this country as expert witness in important Federal Court case. He cannot therefore reach Addis before about June first. For its guidance White Corporation would appreciate receiving by telegraph to Department your opinion as to whether this delay would probably have such an ~~an~~-unfavorable ~~forward~~ effect upon King and Tsana Dam situation generally as to justify Corporation ~~them~~ in sending to Addis a less well qualified representative but one who could reach Addis about May first.

NE GHS/GC

Kellogg

Feb. 15. 1929 2 PM

Enciphered by

Sent by operator ..... *M.*, ..., *19*....

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

811.6461—Tsana Dam/66

PREPARING OFFICE
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NONCONFIDENTIAL CODE
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Department of State

OR J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington,

No distribution January 23, 1929.

JAN 25 29

This cable was sent in confidential Code
It should be carefully paraphrased before
being communicated to anyone.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist

AMLEGATION

ADDIS ABABA (ETHIOPIA)

5 Confidential | Date 9-21-59

For your information. As stated in Department's 25, December 19, 3 p.m., MacCreagh is not a representative of White Engineering Corporation. Dunn, however is replying to MacCreagh's message quoted in Department's 3, January 18, 3 p.m., in following personal message:

Green

QUOTE Thanks your telegram sixteenth. Did not know Dr. Martin was in Ethiopia. Regret Museum expedition situation about which have just heard. (Signed) Dunngano END QUOTE.

Kellogg.

884.6461-Jaana dam/6

5

NE GHS/GC

(GHS)

884.6461/66

No distribution

CR
Jan 23, 1 P.M

Prepared in consultation with Mr. Dunn.
GHS.

Enciphered by---

Sent by operator---- *M.*, , *19*----.

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

PREPAYING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
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PLAIN

J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington, January 23, 1929.

2 to distribution 6p

AMLEGATION

ADDIS ABABA (ETHIOPIA)

This cable was [illegible]
It should be carefully paraphrased before being communicated to anyone.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heiss, Archivist
Date 9-21-59

Your January 4, 4 p. m.

White Engineering Corporation request that you reply to King Tafari in their behalf as follows:

~~CABLE~~ White Engineering Corporation are profoundly gratified at His Majesty's request with which they are most happy to comply. They are sending a special representative of their president to Addis at earliest moment. In view of importance of Tsana work they are selecting one of the very small group of their principal officers. The officer in question has been absent from New York for some time and has been ordered to return expressly to proceed to Addis as His Majesty has requested. His Majesty will be informed of the date of departure as soon as necessary arrangements can be made. ~~END CABLE~~

884.6461 - Tsana dam/66

CR
Jan 23. [illegible]

Kellogg.
(ORL)

884.6461/66

2 to distribution

Prepared in consultation with Mr. Jenn.
JWS.

NE GHS/GC

Enciphered by

Sent by operator.....*M.*, , *19*....

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—186

DOCUMENT FILE

NOTE

SEE 884.01/8 FOR #108

FROM Abyssinia (Southard) DATED Dec.11,1928
TO NAME

1—1157

REGARDING: possible influence upon the Lake Tsana Dam project of the British cultivation of Hailu Takla Haymanot, hereditary ruler of the Western Ethiopian province of Godjam, which borders on the Anglo-Egyptian Sudan. The operations would be to a large extent in the Godjam.

Wh

INDEX BUREAU
884.6461-Tsana Dam/67

The discussion herein presented is also of pertinent value in the event that British cultivation of Hailu may have an influence on the final disposition of the Tsana Dam matter. Such is considered not unlikely. Another feature of the situation in this connection is that Hailu could prevent the profitable and peaceful construction of the dam by American interests should he so desire. The operations would be in and adjacent to his territory and the central government is not yet strong enough to make him behave should he wish to do otherwise. It is thought likely that should the central government finally decide to give the concession to the J. G. White Corporation there will be required some compensation to Ras Hailu. Whether this would take the form of cash inducements, or persuasion that the construction of the dam would benefit his commercial activities, is not known.

I personally met Ras Hailu while on a visit to Addis Ababa in 1917. I have never since seen him. Renewed relations with him would have a real potential value to American interests. A visit to his capital would of ocurse be necessary in renewing relations.

relations. He would doubtless be flattered by such visit. It would require some weeks of caravan travel and would cost several hundred dollars. I make no recommendations in the premises, however, pending indication from the Department that such are desired. It may be said that Hailu is visited from time to time by the heads of all Legations in Addis Ababa.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File No. 800
AES/sld.

A true copy of the signed original.

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise Archivist
Date 9-11-59

~~CONFIDENTIAL~~

January 4th, 1929.

FOR DISTRIBUTION

12:50
1:05

AM RECD
FEB 1 29

DEPARTMENT OF STATE
FEB 1 1929
DIVISION OF
NEAR EASTERN AFFAIRS

No.112.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm my telegram (63) of this date indicating the desire of His Majesty, King Tafari, to have a responsible representative of the J. G. White Engineering Corporation come to Addis Ababa to confer with him in the matter of the proposed and long contemplated Lake Tsana Dam.

As suggested in my various previous despatches on the Tsana Dam matter, among which are Nos. 81 and 98 (55) of October 17th and November 13th, (60) 1928, respectively, the King has been expecting that the new British Minister,

884.6461-Tsana Dam/68

FILED
APR 3 1931

Minister, Mr. S. P. P. Waterlow, would have something of interest to communicate concerning the dam. There have been since December 1st, 1928, several discussions of the subject between His Majesty and my British colleague. I assume, although I have no way of obtaining positive knowledge, that Mr. Waterlow suggested various alternatives until he found that the King was disinclined to consider construction of the dam by British interests.

I have now learned from both the King and my British colleague that the latter has made a formal statement to the Ethiopian Government which in effect is a reiteration of the letter from the British Foreign Office referred to in my communication of April 26th, 1928, to the J. G. White Corporation forwarded under cover of my Diplomatic Despatch No. 18 of April 26th, 1928. 43

The attitude of the new British Minister appears to be to press for early action on the construction of the dam whether it is to be built by the American company or by British enterprise. His attitude is doubtless officially inspired from London. Apparently he has by this time learned of the definite Ethiopian disinclination to give the project to British interests and presumably has so reported to London. Accordingly he informs me that the British interests concerned have full confidence in the White Corporation

tion

tion and are quite willing to have the dam constructed by that organization if action can thus be facilitated.

Mr. Waterlow does not at first impress me as a sincere or candid man and the degree of confidence to be placed in his attitude would appear to depend upon future developments. However, it appears to me quite evident that his instructions are to consider any reasonable procedure likely to hasten the construction of the dam.

In my conversation with the King he had little to say other than that he wished to confer here with a responsible representative of the J. G. White Corporation. I asked him whether he desired a representative qualified to discuss financial or technical details. He replied that he wished to discuss both and any other angles of the situation which might develop. As reported in my telegram I again proposed to His Majesty a conference in London, in line with the various telegraphic instructions received from the Department during the last few months. He declined to consider a meeting other than in Addis Ababa or, possibly, in New York. In my opinion and in that of my British colleague nothing of definite value could be accomplished by sending another Ethiopian envoy to New York as the King would not consider giving such envoy full powers to close a contract. Doctor W. C. Martin on

his

his visit to New York went as far as the King would permit him or any other envoy to go. The only procedure left is for a representative of the Corporation to come here, and the King has upon our advice extended the invitation conveyed in my telegram of this date.

I have suggested to His Majesty that it might be well to have such representative accompanied by an engineering commission to proceed to the lake and clear up for prompt settlement or decision details as to cost and procedure. This the King apparently does not now care to consider. He did not say so but I suspect that he fears that the cost of such an engineering commission might be charged to him. In conversations with my British colleague I find that he has a similar impression. Incidentally I have learned from the British Minister the interesting news that an engineer from the Sudan Government had visited the White Corporation a few months ago in New York to discuss the dam. The Corporation had not informed this Legation of that visit.

My impression continues that the King has not yet definitely made up his mind to have the Tsana Dam constructed. He is now being pressed by the British Minister, as he has long been pressed by the writer, to take action of some sort. The result is the invitation to a representative of the White

Corporation

Corporation to come here. I believe that such representative may be able to help the King to make up his mind one way or the other and, therefore, strongly recommend that he come at an early date.

Mr. Gordon MacCreagh landed in Djibouti on December 24th, 1928, and informed me that Mr. Dunn of the White Corporation had fully confided in him as to the present status of the dam matter and had commissioned him their reporting agent in Ethiopia. Mr. MacCreagh quoted having received from Mr. Dunn certain of the confidential information which has from time to time been reported to the Department from this Legation. This is unfortunate as Mr. MacCreagh is not a man of responsible reputation in Ethiopia and is more than likely to handicap the Legation in the very serious and intensive efforts which it has made to further the interests of the White Corporation in approaching a possible contract for the construction of the Tsana Dam. A few days ago I received the Department's telegraphic instruction 60a No. 25 stating that before his departure from New York Mr. MacCreagh had talked with Mr. Dunn concerning the dam but that he was not to be considered as a representative of the J. G. White Corporation. This message is a satisfaction and will to some extent fortify the Legation in dealing with Mr. MacCreagh who, being of the busybody type of individual, is a

potential

potential intriguer and trouble maker.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

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TELEGRAM SENT

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Department of State

Washington,

J.G. White Engr. Corporation,
43 Exchange Place,
New York City.

No distribution

February 15, 1929.

AMLEGATION

ADDIS ABABA

~~This cable was sent in confidential Code. It should be carefully paraphrased before being communicated to anyone.~~

6

Your confidential mail despatch ~~104, December 3,~~ 112, January 4,

For your personal information and guidance only.

White Corporation is most grateful for and appreciative of your constant helpfulness and skill in Tsana Dam negotiations. Corporation wishes to make it quite clear that it relies entirely upon the information which your Legation furnishes through the Department and has in no sense constituted MacCreagh as its representative for reporting purposes or for any other purpose. Corporation is at a loss to understand MacCreagh's reference to having received from Dunn confidential information reported to Department by you.

Visit of Sudan Government engineer last October was held in strictest confidence at visitor's request and because purpose of visit was investigation of White Corporation and not negotiation of which there was none.

CR
Feb. 15. 1929 P1 ✓

Kellogg

WRK

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisel, Archivist
Date 9-22-59

NE:GHS/GC

No distribution

Enciphered by.....
Sent by operator.....M., ..., 19....., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—132

884.6461-Tsana Dam/68

DOCUMENT FILE

NOTE

SEE 883.6113/37 FOR #121

FROM Egypt (Gunther) DATED Jan 18, 1929

TO

NAME

1—1127 G P O

REGARDING:

Through the heightening of the Assuan dam and the carrying out of the Gebel Aulia project, Egypt will have adequate water supply for the next thirty years and the question of the Tsana Dam will therefore be relegated to the future.

883.6113/37

Tsana Dam

/69

QUADRUPLICATE.

[redacted] to U.S.A., Paris,
[redacted] London, England.

[redacted]
Cairo, Egypt,
January 10, 1929.

No. 121.

[redacted]

The Honorable

The Secretary of State,

Washington, D.C.

Sir,

With reference to previous correspondence in regard to Nile Control and the plans for the heightening of the Assuan Dam, I have the honor to report that the Commission appointed to study the latter, which included Mr. Hugh Cooper, the American Engineer, has concluded its labors.

Though the report of the Commission was made in a most confidential manner for the Government alone I had heard that it favored heightening the Assuan Dam by nine meters, and was in fact recently told by the King that the Government had decided to adopt its recommendations.

This morning I had confirmation of this from the Minister of Public Works, Ibrahim Fehmy Bey, who called at the Legation. In the course of my conversation with him I elicited the information...

information that Gebel Aulia would be the next project to be undertaken and that the negotiations with the British to this end were practically concluded. It has been reported to you elsewhere that the British have now made important reductions in the amount previously demanded for indemnification of land holders contiguous to the Dam.

I obtained a promise from the Minister that three months time would be given for the submission of bids on specifications of any of this work. In fact he promised that he would send to me personally and direct any specifications thus giving delay incidental to their coming through the usual official channels. He observed, however, that he doubted if any contractor could compete with Sir John Jackson Ltd., now doing the Eng Esnadi work due to the latter's having the necessary equipment already here. An hopeful, however, that this will not be the case and that some American firm may be in a position to submit such attractive bids as to gain the award.

The Minister concluded by observing that after many disappointments and delays he felt that the whole problem of the Nile Control was in a fair way of being solved for many years to come due in a measure to the fair treatment of the subject now being accorded by the British with whom he has been negotiating. Before proceeding with any of the present work he wished to feel sure that the British would not start any major work whatsoever affecting the sources of Egypt's water supply, be it in the Sudan, Kenya, or Tanganyika and that even in respect to minor work in this nature the Egyptian Government would first be consulted. He hopes that a satisfactory accord along these lines will be reached in a few days.

The...

The heightening of Aswan and the carrying out of the Sobat Anlin project, it is felt, with the gauge above mentioned, will secure an adequate water supply to Egypt for the next thirty years. The question of the Lake Tsana Dam will therefore be relegated to the future and there will also be plenty of time for the consideration of projects for the reclamation of the Sudd.

I have the honor to be, Sir,

Your obedient servant,



Franklin Bell Gunther.

February 16, 1929.

Personal

Dear Mr. Dunn:

I enclose paraphrases of yesterday's telegrams.

I also enclose the original of a letter for you from Mr. Southard.

Sincerely yours,

Enclosures:
2 paraphrases
of telegrams
February 15,
to Addis Ababa.
Original of letter
from Mr. Southard,
dated January 11, 1929.

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

HE:GHS/GC

884.6461 Loans Ethiopia/69a

PARAPHRASE OF TELEGRAM
SENT TO THE AMERICAN LEGATION AT ADDIS ABABA
FEBRUARY 15, 1929.

The particulqr representative that the White Engineering Corporation wishes to send to Ethiopia on account of his special qualifications as well as his standing with the Corporation has been detained in the United States by an important Federal Court case in which his services as expert witness are required. It will therefore not be possible for him to reach Ethiopia before about the first of June. The White Corporation would appreciate for its guidance receiving by telegram addressed to the Department an expression of your views on the following question: Will this delay probably have such a prejudicial effect upon the Tsana Dam situation generally and upon King Tafari as to justify the White Engineering Corporation in sending to Ethiopia a representative who is less well qualified but who could reach his destination about the first of May?

PARAPHRASE OF TELEGRAM
SENT TO THE AMERICAN LEGATION AT ADDIS ABABA
FEBRUARY 15, 1929.

The following is only for your personal information and guidance.

Your constant helpfulness and skill in the Tsana Dam negotiations greatly appreciated by the White Corporation which is most grateful to you. It is the desire of the Corporation to make it perfectly clear to you that it entirely relies upon the information which is furnished by your Legation through the Department and that Mr. Gordon MacCreagh has in no sense been constituted as the representative of the Corporation for the purpose of reporting or for any other purpose. MacCreagh's reference to having received from Dunn confidential information reported to the Department by you is quite incomprehensible to the Corporation.

A strict confidence was observed with respect to the visit of the Sudan Government engineer last October. This was done at the visitor's request and also because the purpose of the visit was not negotiation, of which there was none, but investigation of the White Corporation.

Addis Ababa,
Ethiopia.

January 11th, 1929.

The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

Dear Sirs:

I acknowledge, with appreciation, the receipt of your letter of November 9th, 1928, sending a file of photographs of dams which are among some of the interesting hydro projects carried out by your Corporation.

The file of photographs I have handed personally to His Majesty, King Tafari Makonnen. He is impressed with them and your idea of sending them to him is an excellent one.

You will doubtless have received long before this my report to the Department of State upon the desire of His Majesty to have a responsible representative of the Corporation come to Addis Ababa to discuss further steps leading to a possible contract for the Tsana Dam. There is nothing of interest since to report excepting the arrival of a Mr. Gordon MacCreagh who informs me that

he

he has been commissioned by Mr. Dunn to report fully upon the present status of the dam question.

Thanking you I am, dear Sirs,

Very truly yours,

ADDISON E. SOUTHARD.

File No. 020.
AES/sid.

A true copy of the signed original.

February 19, 1929.

Dear Mr. Dunn:

Under date of February 18th, we have just received a telegram from Mr. Southard to the following effect:

The White Corporation representative has been expected by the King this month. He will be disappointed by the delay. This delay may have an unfavorable effect upon the negotiations. June first will do as well as May first if the arrival must be delayed.

Sincerely yours,

G Howland Shaw

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

GHS
MK GHS/GC

884.6461 Tsana Dam/70

Feb. 19, 1929 2 pm

884.6461 Tsana Dam/70

TELEGRAM RECEIVED

Letter from White Corp. 2/17/29 February 18, 1929 AE

EG This telegram must be closely ~~paraphrased~~ before being communicated to anyone. FROM

ADDIS ABABA

Dated February 18, 1929

Recd. 6.15 a.m. 19th

Secretary of State

Washington

RECEIVED
FEB 19 1929
Dep't. of State

DEPARTMENT OF STATE
FEB 19 1929
DIVISION OF
NEAR EASTERN AFFAIRS

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heinz, Archivist
Date 9-22-59

February 18, 5 p.m.

Referring to Department's telegram of February 15, 6 p.m. #6

The King has been expecting White Corporation representative this month. Delay will disappoint him and may have unfavorable effect negotiations. If arrival must be delayed June first will do as well as May first.

SOUTHARD

.FSB

INDEX BUREAU
884.6461-Loans/70
FILED
APR 3 1931

U. S. GOVERNMENT PRINTING OFFICE 16-25350

PM RECD

INDEX BUREAU DEPT. OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

January 21st, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-24-59

FEB 23 29

CONFIDENTIAL.

DEPARTMENT OF STATE
FEB 26 19
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - CHECK

	Yes	No
To the Field		✓
In U. S. A		✓

No. 123.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm my telegram marked at 5:00 p.m. this date in response to the Department's telegraphic instruction of January 18th, 1929, at 3:00 P. M., just received, quoting a message had by Mr. Dunn of the White Engineering Corporation from one Gordon MacCreagh who is now sojourning in Addis Ababa.

My telegraphic reply hereby confirmed stated that I did not understand Mr. MacCreagh's message to Mr. Dunn, and referred to my telegraphic despatch of January

INDEX BUREAU

FILED
APR 3 1931

January 4th, 63 4:00 P.M., 1929, which I am now beginning to suspect may not have reached the Department. By this time, however, the Department will have received my Diplomatic Despatch No. 112 68 of January 4th, 1929, confirming the telegram of that date. I consistently follow the practice of immediately confirming by mail despatch all telegrams of importance sent. A confirmation copy in code is also always sent by mail.

Should the Department not have received my telegram of January 4th, 1929, about the Tsana Dam, I am at a loss how to explain it. The message was filed at the local Italian telegraph office together with another one acknowledging receipt of the cipher table for the quarter. Two separate receipts were given for the money paid and are now held for inclusion with my usual quarterly accounts.

Telegrams to and from Addis Ababa are usually beset with difficulties. There are two ways of sending messages. One is via the Ethiopian post-office to connect at Djibouti with the Eastern Extension. The other way is via a local office maintained for Italian official purposes through which messages are telephoned to Asmara in Eritrea and thence go by wire to Egypt and onwards. The Ethiopian postoffice is stated by all to delay and mutilate code messages to an unbelievable extent.

Accordingly

Accordingly the various Legations and public in general avail themselves of the courtesy, paid for of course, of the local Italian office. It is not in efficiency on a par with telegraph and cable offices in more important centers but is so much better than that purely Ethiopian route that people seldom complain of its little delays and other inconveniences. Among the inconveniences is an invariable garbling to some extent of messages received. Since its opening this office has never received a code telegram which did not require much ingenuity and lengthy time for the deciphering of certain mutilated code groups. Such mutilation is always worse in messages in the A-1 Code than in the Grey or Blue Codes.

119.25

I refer again to Mr. MacCreagh's message to Mr. Dunn stating that Doctor Martin's "splendid work" in the Tsana Dam conference matter had already been officially notified to the Department of State. I do not understand the message, unless it happened as follows. Since his arrival here Mr. MacCreagh has frequently seen Doctor Martin with whom he has some relations in the matter of mining concessions and whose cupidity, and corresponding interest, I suspect has been aroused by representations in connection with his (MacCreagh's) alleged important financial connections in the United States. About three days after

after King Tafari asked me to despatch the message of January 4th, 1929, inviting the White Corporation to send a representative here, MacCreagh is believed to have learned from Doctor Martin of the proposed conference. Doctor Martin presumably learned of the conference from the King and from the same source doubtless knew that I planned to telegraph on January 4th. Presumably Doctor Martin told MacCreagh of both the conference and of my telegram. The latter, who has tried every means to connect himself up with the dam question, doubtless telegraphed Mr. Dunn and improved the opportunity, figuratively speaking, to pat Doctor Martin on the back by referring to his "splendid work" and leaving it to inference that he was responsible for the conference now under consideration.

Mr. MacCreagh doubtless knows of Doctor Martin's probable hope that there may be some financial reward in the shape of a retaining fee, or bonus upon actual accomplishment, forthcoming from the White Corporation. A recommendation of the sort contained in MacCreagh's message to Dunn might be considered as having a value in such connection. I feel fairly certain from my rapidly increasing knowledge of the man MacCreagh and his

methods

methods that he first showed his message to Doctor Martin in order that the latter might appropriately know and appreciate.

I know that King Tafari has relied much on Doctor Martin in the dam matter and frequently discusses it with him. I also know that Doctor Martin has unsuccessfully endeavored to persuade the King to call a conference in London, as has been desired by the White Corporation. I feel fairly certain, on the other hand, that the proposed conference in Addis Ababa is entirely the King's idea, supported by pressure brought on His Majesty by my British colleague and myself, and carried out against Doctor Martin's advice. Hence my inability to understand MacCreagh's reference to the "splendid work" if, as appears probable, he has in mind this latest development of the King's proposal for a conference in Addis Ababa.

Both my British colleague and I also pressed the King to call a London conference. He absolutely refused, and the next best thing is this proposed Addis Ababa conference. This is, however, all discussed in some detail in my Despatch No. 112 (68) of January 4th, 1929.

Mr. MacCreagh, his probable standing here, his apparent proclivities, and other matters of related interest, have already been discussed in my despatches

to

to the Department in connection with the American Museum of Natural History Expedition to Ethiopia. He has lately been dismissed by the other members of the expedition and is now in Addis Ababa active in designs which are not all apparent. One seems to be a determination to participate in the Tsana Dam matter. He can not help it along, and if he persists will likely involve it as he appears to have involved most matters with which he has been connected here. That, however, appears to be the concern of the White Corporation officials from whom he claims to have had encouragement. Mr. MacCreagh comes occasionally to call on me but never mentions his activities in the Tsana Dam affair. I have promised him all legitimate or appropriate support in the mining concession he seeks.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

2 Carbon Copies
Received
1 copy attached
for [illegible] 893

DOCUMENT FILE

NOTE

SEE 701.4184/10 FOR #119

FROM Abyssinia (Southard) DATED Jan 14-29

TO NAME 1—1127

REGARDING: Matter of Tsana Dam. The assistance of my British Colleague Minister Waterlow has been valuable in influencing King Tafari in the m

INDEX BUREAU
884.6461—
Tsana Dam

Addis Ababa,
Ethiopia.

January 14th, 1929.

No. 119.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my Diplomatic Despatch No. 67 of September 20th, 1928, and to subsequent reports in connection with the pending and actual arrival here of Mr. S. P. P. Waterlow as the new British Minister.

Since his arrival in Addis Ababa Mr. Waterlow has had serious difficulties with his heart and respiration because of the altitude. A few days ago four doctors held a consultation and seriously recommended that he not remain here.

It

It is not unusual for a man older than forty to find his health seriously affected in these respects by the altitude of Addis Ababa and my British colleague's experience is not, therefore, an uncommon one. Acting on the medical advice he has departed for England, technically on leave of absence. His return here is thought improbable.

This Legation particularly regrets the departure of Minister Waterlow. Since his arrival here I have established with him a very useful and cordial working agreement on the Tsana and other matters of mutual interest. As indicated in my Diplomatic Despatch No. 118 of January 4th, 1929, the assistance of my British colleague has been valuable in influencing King Tafari to take some definite action in the matter of the Tsana Dam. With his continued presence here I would be quite optimistic as to further activity of consequence.

King Tafari, consciously or unconsciously, fears to displease the British and apparently finds much moral support in assurance from a man of such force and quality as Mr. Waterlow that he may amicably proceed with his American negotiations about the dam. I am quite satisfied with the considerable force of persuasion which this

Legation

legation is able to exercise on King Tafari but even so we can use at this time the support of strong and coordinated persuasion from the British Legation which Mr. Waterlow seemed quite inclined to give in very capable manner.

It now seems probable that a new British Minister will in a few months arrive in place of Mr. Waterlow, and that he may or may not be of assistance to us depending upon his force and strength of personality. The present Chargé d' Affaires, while a young man with whom I have excellent relations, is too youthful and inexperienced and lacking in self confidence to be of great assistance in pushing dam progress. Our best hope at present is that the good start lately given the matter by the joint efforts of my recently departed colleague and myself may be sufficient to carry it over immediate obstacles of Ethiopian temperament and characteristic indecision.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File No. 701.
AES/sld.

TELEGRAM RECEIVED

EG

GRAY

Received
FEB 28 1929
Dept. of State

DEPARTMENT OF STATE
FEB 26 1929
DIVISION OF
NEAR EASTERN AFFAIRS

FROM ADDIS ABABA

Dated February 26, 1929

Rec'd. 2,45 p.m.

Secretary of State

Washington

7. February 26, 11 a.m.

Referring to my telegram of February 13, 8 p.m.

The King consents to the proposed delay.

SOUTHARD

White Corporation re Tsana Dam

WSB

J. Murdock (White Eng. Corp) 2/26/29

884.6461 Tsana Dam/73

FILED

APR 3 1931

February 26, 1929.

Dear Mr. Dunn:

A telegram from Mr. Southard, dated February 26th, states that "The King consents to the proposed delay." This apparently refers to the delay in sending your representative to Addis. I had not anticipated, I must confess, that Southard would take up our telegram of January 23 with the King. However, his doing so has apparently had a good effect.

884.6461 Tana Dam/66

I telephoned your office this afternoon but was told that you were sick and at home, I hope that it is nothing serious.

Sincerely yours,

G. Howland Shaw

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

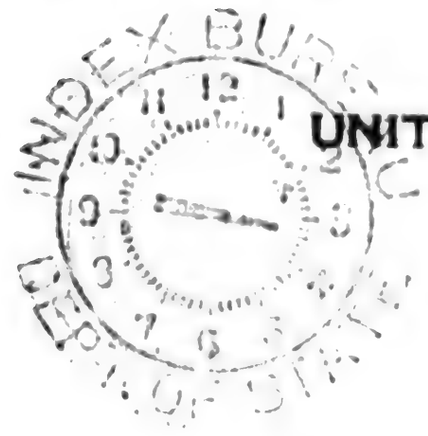
New York City.

MF GHS/MSB

A true copy of the signature
Initials

884.6461-Tana Dam/73

PM RECD



LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

February 18th, 1929.

10:15
10:25

MAR 1 1929

FOR DISTRIBUTION - CHECK Yes No
To be Filed
In U.S.

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz, Archivist
Date 9-21-59



No. 146.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm my telegram of this date informing the Department in reply to its telegraphic instruction of February 15th, 6:00 P.M., 1929, that King Tafari has been expecting this month the arrival of a representative of the White Engineering Corporation and would be disappointed by the delay suggested.

However, if there is a delay until the date of May 1st suggested in the Department's telegram a further little delay of one month until June 1st will be

unimportant

FILED
MAR 25 1929
DEPARTMENT OF STATE

unimportant and probably desirable as it will permit the sending of the best qualified man.

It took this Legation (in the end with British assistance) a long and patient while to bring King Tafari to the point of definite action in the matter of a conference in the Tsana matter. Once committed, however, as he was by the invitation conveyed in my telegram of January 4th, 1929, the matter of time has become to His Majesty more important. Such is the Ethiopian psychology. They will make others wait indefinitely but once a matter is decided (by them) promptness is taken as a matter of course until their interest flags which doesn't take long. This particularly represents King Tafari's attitude. His Majesty has several times asked me when the White representative might be expected and had developed the somewhat fixed idea that this month of February would see the arrival.

The King appears to be under constant pressure from other interests who wish either to monopolize or participate in the proposed Lake Tsana Dam construction. The Germans, officially and privately, are quite active. Certain local unofficial British interests seek what opportunity they can to convey to His Majesty their disapproval of the consent by the British Government to the enterprise being given into American hands. My Italian colleague, who is quite friendly to the King and who is Dean of the

Diplomatic

Diplomatic Corps, would lose no opportunity indirectly to develop uncertainty in His Majesty's mind with a view to delay which might work out to Italian interest and which would certainly be soothing to Italian national megalomania as represented in Ethiopia. Over all this is the situation that the King's mind has never, in my opinion, been fully made up to a definite and fixed desire for construction of the dam. This state of mind has been referred to in various of my despatches during the year. The delay in arrival of a representative of the White Corporation, assisted by the various influences suggested in this paragraph, cannot but encourage a revival to some extent of His Majesty's former uncertainty. It is hoped that the effect on the eventual negotiations will not be unfavorable, but there is no assurance to that end. No one can predict this with reasonable accuracy.

This Tsana matter is one to which may be made particular application of the old admonition to strike while the iron is hot. The Legation will make every effort to explain why a delay has been necessary and to sustain King Tafari's interest in a conference to be held with a view to the accomplishment of concrete results. We shall hope to be successful.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies
Received

PM RECD

INDEX BUREAU DEPT. OF STATE

MAR 16 29

10:10
10:15

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

February 19th, 1929.

DEPARTMENT OF STATE
MAR 18 1929
DIVISION OF NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - CHECK

	Yes	No
To the Field		
In D. S. A.		

Tel. to Addis Ababa. 31/9/29. Int.

MAR 19 1929

No. 147.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my Diplomatic Despatch No. 146 of February 18th, 1929, on the matter of a probable delay in arrival of the representative of the White Corporation to the Tsana Dam conference proposed by King Tafari.

In this connection the thought occurs to me to state for the possible consideration of the White Engineering Corporation that the invariable custom of distinguished visitors to Ethiopia, whether on business or otherwise, is to bring gifts to the

Empress,

INDEX BUREAU
884.6461-Tsana Dam/175

FILED
APR 3 1931

Empress, the King, and occasionally to lesser Ethiopians depending upon the visitor and his object here. I do not <u>recommend</u> that the White representative bring such presents — I merely report the to date invariable custom. The White Corporation will be in a position then for making its own decision as to whether or not to depart from custom.

I have given no study to the sort of gifts which might be most appropriate should the White Corporation decide to offer any, but would be in a position to make specific suggestions by telegraph after three or four days for consideration should I be advised by telegraphic instruction that such procedure was contemplated and with intimation as to the approximate maximum expenditure.

My only firsthand experience with an American company in this connection was when the Anglo-American Oil Company came to Ethiopia in 1920 to prospect a concession the validity and possession of which had finally to be arranged by me acting upon instructions of the Department. The representatives of the company who came at that time brought, according to my recollection but without my previous knowledge, gifts having a total value approaching two thousand pounds sterling.

However, the White Corporation negotiation may go just as well without as with the customary gifts. This is just to record for the information of the Corporation, should the Department approve, that such custom is and has

has been followed. The Ethiopians of rank expect exchange of presents with each other as well as with foreigners who come to their country. The practice is with them an ancient one with an important flavor of courtesy.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept
By Ronald J. Heinz, Archivist
Date 9-24-59

Department of State

J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington, March 16, 1929.

AMLEGATION

ADDIS ABABA

[redacted]

For guidance of White Engineering Corporation

please telegraph, if possible in time for conference Friday morning, your views as to the sort of gifts which would be appropriate, as well as names and titles of persons to whom they should be given. In view of the financial benefit which would accrue to the Ethiopian Government from the proposed work of the White Engineering Corporation, the Corporation has tentatively in mind an initial expenditure for gifts of not more than about one thousand dollars. They would be glad to learn your opinion as to the adequacy of this amount.

NE GHS/GC

Mar. 16, 1929

Enciphered by [redacted]

Sent by operator [redacted] M., [redacted], 19[redacted]

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—1284

PM RECD

INDEX BUREAU DEPT. OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

February 16th, 1929.

DEPARTMENT OF STATE
MAR 19 1929
DIVISION OF NEAR EASTERN AFFAIRS

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
MAR 16 29
By Ronald J. Heise, Archivist
Date 9-21-59

~~CONFIDENTIAL.~~

FOR DISTRIBUTION - CHECK
To the Field
In U. S. A.

INDEX BUREAU
1946 4881

No. ~~142.~~

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report a little "incident" which may be of no more than passing interest but which still appears to merit recording.

Reference is made to my Diplomatic Despatch No. 104 of December 3rd, 1928, presenting various comments of interest in connection with the Tsana Lake Dam and including mention of the trip planned by the local German Minister, Dr. Curt Pruffer, overland from Addis Ababa to Eritrea via Lake Tsana.

Dr.

~~Confidential File.~~

FILED
APR 3 1931

Doctor Pruffer and his wife, accompanied by Mr. Mario Porta (Counsellor of the Italian Legation), and his wife, left Addis Ababa by caravan about December 15th. They were rather luxuriously equipped but so far as my information goes were accompanied by no Europeans other than an Italian surveyor and cartographer. By the ordinary rate of caravan travel they were due in the northern Ethiopian metropolis of Gondar in one month, or about January 15th. This place is the seat of government of the powerful provincial kinglet known as Ras Guksa Woli who belongs to a twig of a branch of the tree representing the royal line of Solomon. He is the husband of the Empress Zeoditu from whom he is separated for political reasons which have from time to time been referred to in my despatches.

The Pruffer-Porta party had not definitely reported arrival at Gondar on February 10th, 1929, nearly one month over the normal travel time. When they did not arrive investigations were set in motion with the result that the whole caravan was reported under arrest by one of the subordinate chiefs of Ras Guksa about five or six days travel this side of Gondar. This chief said that he found the Pruffers and Portas such attractive people that he took advantage of the ancient Ethiopian custom to detain them for a period as his guests. At any rate they finally got away and are now said to have reached Gondar.

The

The King is said to be considerably annoyed by this detention, but as he has little direct power in Gondar he is thought willing to save his face by dropping the matter under the excuse that the offending chief doubtless was exercising the "ancient custom" of holding attractive guests longer than they planned to sojourn in his territory. The King will be helped in this as neither the Germans nor Italians will likely make a formal protest. The conspicuous apparent policy of both governments in Ethiopia is to build up good will, presumably even at the sacrifice of some dignity provided the loss is not serious and can be otherwise compensated for.

Ras Guksa will probably be asked for a report. If the request comes from the King alone he may ignore it but if it is backed up by the Empress he will probably make a report of such nature as to satisfy, under the circumstances, such explanation as the Italians and Germans may feel that they must ask. It seems quite unlikely that either the Italians or Germans would risk unduly irritating the Ethiopians now that the incident appears closed with no particular harm other than loss of time.

The view is taken by various Ethiopians, by my French colleague, and in a very cautious way by my British colleague who is a young Chargé d'Affaires always in fear of unduly committing himself, that the detention of the Pruffer-Porta party was intentional

tional and connived at by Ras Guksa through his underling. There has been the general understanding that the Pruffer-Porta party would undertake some reconnaisance and perhaps sketch mapping around Lake Tsana. The Empress, who is believed committed to American activity at Lake Tsana to the exclusion of all other, doubtless let Guksa know about this understanding with the suggestion that some arrangement be made to avoid any such extended German or Italian examination of the area. This impresses me as a probable explanation of the above recited detention of the caravan.

The diplomatic caravan is probably now en route from Gondar towards the Eritrean frontier where Italian influence, bought and paid for, increases with every day of travel.

In discussing the "incident" with my Italian colleague he was quite calm and displayed none of the Latin excitability to be expected under the circumstances of such an apparent affront to Italian honor and official prestige. His attitude was evidently not as natural as it would have been under other circumstances and in the absence of probable instructions from Rome to be patient with Ethiopian official peccadilloes. Incidentally he and his Counsellor Porta are not at all good friends and the personal friction between them is frequently a subject of gossip in Diplomatic Corps circles. Perhaps his unusual calmness was partly caused by his unconscious thought that he

wouldn't

wouldn't mind if Porta never got back to Addis Ababa. Human nature may conceivably have its influence over the mind and emotions even of so well trained a diplomat as my Italian colleague. However, this is just a little side light which has no bearing on the main question.

Probably nothing will come of this "incident". It is reported mainly for its value in indicating Ethiopian disposition in the Tsana matter and in indicating further that the Empress and her party are decidedly not yet in sympathy with King Tafari's recent rapprochement with the Italians.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received M.I.D.

PREPARING OFFICE WILL INDICATE WHETHER

Collect

Charge Department

Charge to $25.76

TELEGRAM SENT

TO BE TRANSMITTED

~~CONFIDENTIAL CODE~~

NONCONFIDENTIAL CODE

PLAIN

Department of State

OR

J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington,

CLASSIFICATION CANCELED
Authority: letter 1-8-58
By H. Anderson, State Dept.

March 16, 1929.

AMLEGATION

ADDIS ABABA

Date 9-21-59

10

As a result of special efforts to meet King Tafari's wishes White Engineering Corporation is able to send to Ethiopia its Vice President who has been in its employ for many years and is exceptionally well qualified to handle Tsana Dam negotiations.

In behalf of the Corporation please inform His Majesty King Tafari that Mr. Henry A. Lardner, Vice President of J. G. White Engineering Corporation and a special representative of its President, with full powers is leaving New York on March 29 on the S. S. BERENGARIA. He will sail from Marseille on April 11 on the S. S. EXPLORATEUR GRANDIDIER and is due to arrive at Djibouti on April 22.

Clark

Acting ~~Secretary~~.

NE GHS/GC

Enciphered by...

Sent by operator... *M.*, , *19*....

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

884.6461-Tsana/1

Cable dispatched 3/26/29 9 P.M. G.C. AE

TELEGRAM RECEIVED

EG

CORRECTED COPY

DEPARTMENT OF STATE
MAR 25 1929
DIVISION OF NEAR EASTERN AFFAIRS

Counting Telephoned to Mr. Dunn. 3/25/'29 Just. Copy sent to Letter 3/26/'29 Just.

FROM GRAY

ADDIS ABABA

Dated March 22, 1929

Recd. 12.05 p.m.

Secretary of State

Washington

Cable dispatched 3/25/29 9 P.M. G.C.

MAR 25 1929

9. March 22, 1 p.m.

Referring to Department's telegram No. 12 of March 19, 5 p.m.

Gift giving is here an official as well as social custom of the greatest importance. I suggest minimum total expenditure of $3,000 distributed as follows: for the Empress, a triptych for her private devotional use; for the King, a heliograph signaling apparatus; for the Itchige a crucifix or communion service; and a half dozen ornate but strong leather brief cases for certain lesser officials to be decided after arrival. A few modern army rifles would make excellent minor presents.

SCUTHARD

hWC

INDEX BUREAU
FILED
MAR 28 1929 D.

884.6461-Loans/77

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$ 8.42

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

J. G. White Engr. Corporation,
43 Exchange Place,
New York City.

Washington,

March 25, 1929.

AMLEGATION

ADDIS ABABA

13

Your 9, March 22, 1 p.m.

White Engineering Corporation inquires whether you could make necessary arrangements both at Djibouti and Addis so that ~~their~~ to representative ~~could~~ can bring in a few modern army rifles as presents.

5 lbs.

Kellogg

WK

NE GHS/GC

884.6461 Tsana Dam/77

CR

Mar. 25, 1929

Enciphered by

Sent by operator ..... *M.*, ..., *19*....., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—138

884.6461 - Tsana Dam/77

March 23, 1929.

Dear Mr. Dunn:

Here is textually Mr. Southard's reply to your request for advice on the matter of gifts:

> "Gift giving is here an official as well as social custom of the greatest importance. I suggest minimum total expenditure of $3,000 distributed as follows: for the Empress, a triptych for her private devotional use; for the King, a heliograph signaling apparatus; for the Itchige a crucifix or communion service; and a half dozen ornate McDuff strong leather brief cases for certain lesser officials to be decided after arrival. A few modern army rifles would make excellent minor presents."

The ecclesiastical nature of some of these gifts may present a problem which you will not find easy to solve. I shall try and do some reading over the week-end to enable me to offer you some suggestions in meeting this problem. The ecclesiastical peculiarities of the Ethiopians will of course have to be considered.

Sincerely yours,

G. Howland Shaw

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

File.

ME GHS/GC

CR
Mar. 23. 1929.

884.6461 Tsana Dam/77

884.6461 Tsana Dam/77

March 26, 1929.

Dear Mr. Dunn:

I am enclosing herewith for your records a corrected copy of Mr. Southard's telegram of March 22nd concerning the matter of presents. You will recall that my letter of the 23rd contained the text of the first copy of this telegram.

I am also enclosing copies of the messages sent at your request to Mr. Southard within the past twenty-four hours.

Sincerely yours,

J. Rowland Shaw

Enclosures:
Copies of
3 telegrams.

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
45 Exchange Place,
New York City.

JRS:HH
HH CHS/GC

CR
Mar. 26, 1929 PM

1948. 6461 - Juan Leguia / 77

CORRECTED COPY

ADDIS ABABA

Dated March 22, 1929.

Recd. 12.05 p.m.

Secretary of State

Washington

9. March 22, 1 p.m.

Referring to Department's telegram No. 12 of March 19, 5 p.m.

Gift giving is here an official as well as social custom of the greatest importance. I suggest minimum total expenditure of $3,000 distributed as follows: for the Empress, a triptych for her private devotional use; for the King, a heliograph signaling apparatus; for the Itchige a crucifix or communion service; and a half dozen ornate but strong leather brief cases for certain lesser officials to be decided after arrival. A few modern army rifles would make excellent minor presents.

SOUTHARD.

J. G. White Engr. Corp.,
45 Exchange Place,
New York City.

March 26, 1929.

AMLEGATION

ADDIS ABABA

Your 9, March 22, 1 p.m.

Heliograph signaling apparatus difficult to obtain and intrinsically of no great value. White Engineering Corporation inquires whether terrestrial telescope or other scientific instrument would be appropriate.

NE GHS/GC

884.6461
Texas Dam/77

J. G. White Engr. Corporation,
43 Exchange Place,
New York City.

March 25, 1929.

AMLEGATION

ADDIS ABABA

Your 9, March 22, 1 p.m.

White Engineering Corporation inquires whether you could make necessary arrangements both at Djibouti and Addis so that their representative could bring in a few rifles as presents.

NE GHS/GC

884.6461 Tsana Dam/77

TELEGRAM RECEIVED

GRAY

EG

FROM

ADDIS ABABA

Dated March 22, 1929

Recd. 12.05 p.m. 23rd.

MAR 25 1929
Dept. of State

DEPARTMENT OF STATE
MAR 23 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Secretary of State

Washington

9. March 22, 1 p.m.

Referring to Department's telegram No. 75 of March 19, 5 p.m.

Gift giving is here an official as well as social custom of the greatest importance. I suggest minimum total expenditure of $3,000 distributed as follows: for the Empress, a triptych for her private devotional use; for the King, a heliograph signaling apparatus; for the Itchige a crucifix or communion service; and a half dozen ornate McDuff strong leather brief cases for certain lesser officials to be decided after arrival. A few modern army rifles would make excellent minor presents.

SOUTHARD

WWC

INDEX BUREAU
FILED
APR 3 1931

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
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TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

J. G. White Engr. Corp.
43 Exchange Place,
New York City.

Washington,

March 26, 1929.

AMLEGATION

ADDIS ABABA

Your 9, March 22, 1 p.m.

Heliograph signaling apparatus difficult to obtain and intrinsically of no great value. White Engineering Corporation inquires whether terrestrial telescope or other scientific instrument would be appropriate.

Kellogg

NE GHS/GC

884.6461
Tsana Dam/77

No distribution

Mar. 26 1929 PM

884.6461 - Tsana/77

Enciphered by.....

Sent by operator.....*M.*, ..., *19*...., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—128

AM RECD

DIV

1:05
1:15

AE

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

February 21st, 1929.

DEPARTMENT OF STATE
MAR 28 1929
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - CHECK

	Yes	No
To		✓
Ind		✓

INFO BUREAU

884.6461-Tsana Dam/78

No. 149.

The Honorable

The Secretary of State,

Washington.

Sir:

0846461 Tsana Dam/78

I have the honor to refer to my Diplomatic Despatch No. 146 of February 18th, 1929, on the subject of the effect of the probable delay of the arrival in Addis Ababa of a representative of the White Engineering Corporation for conference on the Tsana Lake Dam.

Today was my earliest opportunity directly to discuss this matter with the King. His Majesty's first reaction was to oppose any delay in the conference. However, upon my somewhat detailed explanation that a delay would be necessary to bring here the best qualified

FILED
APR 3 1931

qualified representative of the Corporation the King agreed, although without conspicuous enthusiasm, that postponement would under the circumstances be justified.

My opinion is that His Majesty now understands the situation and is reconciled to delay of the conference. I am also of the opinion, however, as already explained in my Despatch No. 146, that King Tafari is subject to various sorts of pressure in the dam matter. What actual effect such pressure may develop cannot be indicated with accuracy. There is no doubt in my mind but that the conference would have proceeded with more definite vigor and decision if held this month while His Majesty is in the humor to concentrate on the subject. Pending the actual conference the efforts of this Legation will, of course, be concentrated in all appropriate ways on sustaining His Majesty's interest in and for definite action.

I find that local people are beginning to whisper confidentially to each other that a conference in Addis Ababa with the White Engineering Corporation is pending. There is probably no particular harm done but there has evidently been somewhere a leak of information. There is no apparent opportunity for a leak from this Legation. The British Legation is familiar with the pending conference. Doctor W. C. Martin knows about it from the King. The Minister of Foreign Affairs and some of his staff are in touch with the arrangement.

Others

Others may know from their contacts with the Palace. It would, therefore, be difficult to place the leak in information as there are various intelligent and skilled operators here whose efforts are unremitting in the endeavor to find out what is going on in official circles. The Tsana dam is, of course, among the most important of pending current events and stimulates interest accordingly.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

Cpt'

TELEGRAM RECEIVED

Letter to G. W. Ltr Emp 9/30/29 by A.S.-C

March 30, 1929

McL

Gray,

FROM

Addis Ababa.

RECEIVED

MAR 29 1929

Dated March 29, 1929.

Received 6.15 A. M. 30th.

884.64461-Iwana Dam

Secretary of State,

Washington.

DEPARTMENT OF STATE

MAR 30 1929

DIVISION OF NEAR EASTERN AFFAIRS

12, March 29, 4 P. M.

Referring to Department's telegram March 26, 6 P. M.

I suggest either a complete dictaphone equipment or a dictagraph rather than heliograph. It would be well to address all gifts to the Legation to facilitate entry.

SOUTHARD.

JS

INDEX BUREAU

884.6461-Iwana Dam/79

FILED

APR 3 1931

7

PREPARING OFFICE
WILL INDICATE WHETHER

Collect

Charge Department

OR

Charge to

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

No distribution

Washington,

April 1, 1929

bp

J. G. White Engineering Corp.
43 Exchange Place
New York City.

AMLEGATION

ADDIS ABABA (Ethiopia)

15

Your 12 March 29, 4 p.m.,

In connection with obtaining dictaphone please telegraph urgently kind and voltage of King's private electric plant./

Simms.

WDG

NE GHS/MNB

No distribution

CR

April 1, 1929 pm

Enciphered by .....

Sent by operator ..... *M.*, ... *19*....., ...

Index Bu.—No. 50.

1—188

884.6461—Loan/79

TELEGRAM RECEIVED

884.6461-Isana Lam
MAR 29

884.6461 Isana Lam
note
884.113

EG

FROM

GRAY

ADDIS ABABA

Dated March 29, 1929

Rec'd. 12.50 p.m. 30th

DEPARTMENT OF STATE
MAR 30 1929
DIVISION OF NEAR EASTERN AFFAIRS

APR 1 3 1929 p.m.

Secretary of State

Washington

11. March 29, 11 a.m.

Referring to Department's telegram of March 25, 5 p.m.

Arrangements can be made for the rifles to enter Ethiopia. If they are in a separate box addressed to the Legation I can enter them without difficulty at Djibouti. Otherwise delay may be expected unless a permit is requested immediately. Please reply by telegraph total number of rifles and ammunition.

SOUTHARD

WSB

APR 15 1

DEPARTMENTS.

TO AC FOR BILLING

13,20

FILED

APR 16 1929

INDEX BUREAU

884.1949.488 Isana Lam/8

March 30, 1929

Dear Mr. Dunn:

Since writing you this morning the following reply has been received from Mr. Southard to the telegram we sent him on the subject of rifles:

> "Arrangements can be made for the rifles to enter Ethiopia. If they are in a separate box addressed to the Legation I can enter them without difficulty at Djibouti. Otherwise delay may be expected unless a permit is requested immediately. Please reply by telegraph total number of rifles and ammunition."

Yours sincerely,

Mr. Gene Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

884.6461 Reams Dem/80

FHJ

MK GHS/CVD

CR

Mar. 30, 1929 pm

1949.488 Arms Law/80

Gray

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$ 29.9

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Skelton
Sent-Br.

J.G. White Engineering Cor.,
43 Exchange Place,
New York City.

Washington,

13
April ~~12~~, 1929

Noon

APR 17 29

AMLEGATION

ADDIS ABABA

17. Your 11, March 29, 11 a.m.

Idea of rifles abandoned.

Stimson

884.6461 Tsana Dam/80

GHS/LVD

884.6461 - Tsana Dam/80

Based upon telephone conversation with Mr. James Flynn.
4/12/29.
J.F.S.

CR
Apr. 13. 1929

APR 13 29

Enciphered by.....

Sent by operator.....*M.*, ..., *19*...., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

N.E.

TELEGRAM RECEIVED

EG

GRAY

RECEIVED FROM APR 3 1929 Dept. of State

ADDIS ABABA

Dated April 3, 1929

Rcod. 11.40 a.m.

Secretary of State

Washington

DEPARTMENT OF STATE
APR 3 1929
DIVISION OF NEAR EASTERN AFFAIRS

URGENT.

13. April 3, 4 p.m.

Referring to Department's telegram of April 1 6 p.m.

Private electric plant of the King is direct current one hundred and ten voltage.

SOUTHARD

WSB

Letter to Dennis Lyon 4/3/29

79 April 4 1928

INDEXED BUREAU

M.E. 1949.488

Skeleton sent to DA for billing 2nd Sec

FILED
APR 5 - 1929

1 6 9 - Ioana Rans/81

April 1 1929

In reply refer to
NE 884.6461-Tsana Dam/81

Dear Mr. Dunn:

Mr. Southard has telegraphed as follows:

"Private electric plant of the King is direct current one hundred and ten voltage."

Yours sincerely,

G. Howland Shaw

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

NE CHLB/LVD

884.6461-Tsana Dam/81

CR 1929 PM
APR 1

A true copy of
the signed orig-
inal.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to J.G.White Engineering Cor.,
$9.90 43 Exchange Place,
New York City.

gray

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

April 12, 1929
11 am

AMLEGATION

ADDIS ABABA.

16 If you have not done so already on basis of Department's 10, March 16, 6 p.m. please take appropriate measures through Consular Agent Djibouti and other proper channels to assist Mr. Lardner in securing Ethiopian visa and in complying with other formalities.

Simons

WM

NE GHS/LVD

CR
Apr. 13, 1929

Enciphered by.....

Sent by operator..... M., ..., 19...., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—138

THE J.G.WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES

J.G. WHITE AND COMPANY, INC.

J.G. WHITE AND COMPANY, LTD., LONDON

THE J.G. WHITE ENGINEERING CORPORATION, S.EN C., MEXICO

THE ENGINEERS CORPORATION

CABLE ADDRESS

WHITENGECO, NEW YORK

A.B.C. 5TH AND 6TH

WESTERN UNION

SCOTT'S 10TH

BENTLEY'S

884.6461 Isaac Lardner

Monday,
April 15, 1929.

DEPARTMENT OF STATE

APR 22 1929

DIVISION OF
NEAR EASTERN AFFAIRS

Hon. G. Howland Shaw,
State Department,
Washington, D. C.

Dear Mr. Shaw,

Confirming our telephone conversation, I enclose copy of the letter of Mr. Romolo Angelone, Commercial Attache of the Royal Italian Embassy in Washington, which I read to you over the telephone.

I also enclose copy of my reply, and thank you for the indications you gave, which helped me to frame it.

I should be very glad if you would take such steps as you think best, to advise Minister Southard of the visit of Mr. Angelone a week or so ago, and of this letter and the Italian proffered entente.

Mr. Lardner left Marseilles on the Explorateur Grandidier on the 11th, as per program, and is without advices as to the Italian matter. It might be well to suggest in your telegram to Mr. Southard, that Mr. Southard acquaint him on his arrival.

Again with thanks for all you are doing for us,

I am,

Sincerely yours,

Gano Dunn

Gano Dunn
President.

INDEX BUREAU
884.6461—Isaac Lardner/52

FILED
APR 3 - 1931

ROYAL ITALIAN EMBASSY
Office of the Commercial Counsellor

Washington, April13, 1929.

No. 2883

Mr, Gano Dunn,
J.G.White Engineering Corp.,
43 Exchange Place,
New York.

Dear Mr. Dunn:

Allow me to thank you most sincerely for your kindness shown me during my recent visit to your office. I was very glad indeed to talk about the work of your organization to my Ambassador, who, unfortunately has sailed for Italy the other day. He has directed me, however, to furnish you with letters of introduction for our Ministry of Foreign Affairs and I will be very grateful to you if you will kindly let me know the date of your sailing.

Allow me to take this occasion for thanking you again for your kind cooperation.

Sincerely yours,

Romolo Angelone
Commercial Attache

THE J. G. WHITE ENGINEERING CORPORATION

COPY

Monday,
April 15, 1929.

Hon. Romolo Angelone,
Commercial Attache,
Royal Italian Embassy,
Washington, D. C.

Dear Mr. Angelone,

Permit us to acknowledge this morning your kind letter of April 13th to the effect that you talked with your Ambassador before he sailed for Italy, and received his directions to furnish us with letters of introduction to your Ministry of Foreign Affairs.

Unfortunately it is too late for us to make use of these at this time, for our Vice President has already sailed, and is now on his way to Addis Abeba.

We greatly appreciate your kindness and the courtesy of His Excellency the Italian Ambassador, and beg you will express our thanks.

Sincerely yours,

Gano Dunn
President.

RMS.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to J.G. White Engr. Corporation,
$ 43 Exchange Place,
New York City.

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
~~CONFIDENTIAL CODE~~
NONCONFIDENTIAL CODE
PLAIN

Washington,

April 18, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz Archivist
Date 9-11-59

AMLEGATION

ADDIS ABABA (ETHIOPIA)

19

For your information and that of Mr. Lardner.

Italian Commercial Attaché recently called on Dunn to inquire whether British capital would participate in carrying out of White Engineering Corporation's proposal for Tsana Dam construction. He was informed that Dr. Martin had laid down condition that capital to be used must be exclusively American and only American capital therefore was contemplated. Commercial Attaché has now written Dunn that Italian Ambassador has directed that letters of introduction to Italian Foreign Office be furnished to representative of White Engineering Corporation who is to go to Addis. Dunn has replied to this letter politely but indefinitely and has stated that White representative now en route.

884.6461 - Tsana Dam/82

Stimson

GR
Apr. 18, 1929

NE GHS/GC

no distribution

Enciphered by

Sent by operator ..... *M.*, ..., *19*....

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—188

May 9, 1929.

Dear Mr. Dunn:

I am enclosing herewith paraphrases of the telegrams sent in your behalf on April 18th and today.

Sincerely yours,

G. Howland Shaw

Enclosures:(2)
Paraphrases of
telegrams.

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

HE GHS/GC

A true copy of the signed original

May 9, 1929

4. 6461 - Panama Canal

88

PARAPHRASE OF TELEGRAM

TO AMERICAN LEGATION, ADDIS ABABA,

DATED APRIL 18.

The following is for your information and that of Mr. Lardner. Dunn recently received a call from the Italian Commercial Attaché who inquired whether British capital would participate in the carrying out of the proposal for the Tsana Dam construction made by the White Engineering Corporation. The Commercial Attaché was informed that Dr. Martin had laid down the condition that the capital to be used must be entirely American. Therefore the use of American capital only was contemplated. Dunn has now received a letter from the Commercial Attaché to the effect that the Italian Ambassador at Washington has directed that letters of introduction to the Italian Foreign Office be furnished to the White Engineering Corporation's representative who is to go to Ethiopia. To this letter Dunn has sent a polite but indefinite reply. He has stated that the White representative is now on his way to Ethiopia.

PARAPHRASE OF TELEGRAM

TO AMERICAN LEGATION, ADDIS ABABA,

DATED MAY 9.

The following is for Lardner from Dunn. QUOTE See Department's 19, April 18, one p.m. I have been confidentially informed by the British Embassy at Washington that instructions have been sent by the British Foreign Office to their Chargé d'Affaires in Ethiopia to keep in close touch with the Italian Minister to Ethiopia for the purpose of enabling the Italian Minister to intervene, when the moment appears most favorable, in support of our proposals for Lake Tsana. This cooperation of the British and Italians is in accordance with the provisions of the notes which were exchanged between the British and Italian governments in December of 1925. Without divulging it, you should bear this information in mind in such friendly personal relations as you may have occasion to maintain with the Legations of Great Britain and Italy. END QUOTE.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to
$ 21.72

TELEGRAM SENT

Department of State

TO BE TRANSMITTED
~~CONFIDENTIAL CODE~~
NONCONFIDENTIAL CODE
PLAIN

J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington,

May 9, 1929.

This cable was sent in confidential Code.
It should be carefully paraphrased before
being communicated to anyone.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisz, Archivist
Date 9-22-59

AMLEGATION

ADDIS ABABA (ETHIOPIA)

21

For Lardner from Dunn. QUOTE See Department's 19, April 18, one p.m. Am informed confidentially by British Embassy Washington that British Foreign Office have instructed their Chargé d'Affaires at Addis to keep in close touch with Italian Minister at Addis with a view to the latter intervening in support of our Lake Tsana proposals when the moment appears most favorable. This British-Italian cooperation is by virtue of the provisions of the notes exchanged between the two Governments in December 1925. Without divulging the above information you should bear it in mind in such friendly personal relations as you may have with British and Italian Legations. END QUOTE

Stimson

NE GHS/GC

May 9, 19

Enciphered by ....

Sent by operator ..... *M.*, ..., *19*....., ...

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 2—188

TELEGRAM SENT

This message was sent in confidential Code. IT WILL INDICATE WHETHER It should be carefully paraphrased before being communicated to anyone.

Collect
Charge Department

OR

Charge to
$

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Washington,

May 14, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-53
W. H. Anderson, State Dept.
By Ronald J. Heise Archivist

AMLEGATION

ADDIS ABABA (ETHIOPIA)

22

For Lardner from Dunn. QUOTE Entirely agree with Date 9-21-59 your view that active British or Italian support undesirable. Italian intervention referred to in Department's 21, May 9, 6 p.m. was not solicited by us but is altogether upon British initiative and in accordance with their 1925 agreement with Italians. British or Italian support when exercised, if at all, will take place discreetly. END QUOTE

Simon

NE GHS/GC

No distribution

DISTRIBUTION

May 14, 1929 p m

Enciphered by ...

Sent by operator ... M., ..., 19..., ...

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—188

884.6461-Mar. & Am/82

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

March 22nd, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise Archivist
Date 9-21-59

~~CONFIDENTIAL.~~

DEPARTMENT OF STATE
APR 29 1929
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION

No. 163.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm my telegram of this date making suggestions, in reply to Departmental instruction, as to gifts which the representative of the J. G. White Engineering Corporation might bring to Ethiopia in connection with his coming to discuss the Tsana Dam project.

The suggestions made are the result of extended investigation and consideration. The importance of gift-giving here is probably difficult to understand by those unfamiliar with Ethiopian custom. It is a practice so firmly established over the centuries that

INDEX BUREAU
U.S.
894.6461-Tsana Dam/3
FILED
APR 3 1931

that failure to observe it frequently creates the same impression as a premeditated discourtesy. The intrinsic value of the gift given is not a primary consideration although gifts intended for Ethiopian royalty and the highest officials are expected to be of a value adequately representative of the importance of the donor as well as of the recipient.

The J. G. White Corporation is regarded by the Ethiopian Government as a very rich and important organization. The gifts which its representative might bring should, for appropriate effect, be of corresponding quality. The sum of $1000 suggested in the Department's telegram impressed me as inadequate for the purpose and effect to be accomplished and I accordingly in the telegram hereby confirmed indicated a larger minimum total. The Department's telegram of March 19th also suggests that the White Corporation feels that its initial expenditure for gifts need not be large in view of "the financial benefit which would accrue to the Ethiopian Government from the proposed work." The Department may be interested in knowing that the Ethiopian Government takes quite the opposite view as to the financial benefits to accrue from the proposed work. Regardless of the general merits of the question it could not think otherwise when it has been pursued by British, Italian, German and miscellaneous representatives anxious to build the dam and to pay handsomely for the privilege.

However,

However, the gifts to be brought by the representative of the White Corporation would not necessarily be regarded by the Ethiopians as essential inducements for granting the Tsana Dam contract. They would be considered mainly as evidence of the social good will and courtesy of the corporation. Hence the intimation of my conviction that they are indispensable in advancing the friendly atmosphere necessary to negotiation. When negotiations reach the stage where intrinsic inducements for granting the contract or concession are in order the Ethiopians will be found not bashful in making their expectations known. That will be quite another matter and one to be considered from its strictly business angles. The initial gifts have more a social and courtesy significance than otherwise. All foreign visitors to Ethiopia, whether on business or pleasure, follow the custom of bringing gifts if they intend having contact with important officials of the country. The Ethiopians themselves when exchanging visits from one part of the country to the other follow this invariable and inevitable custom.

The Department will perhaps have on record that when King Tafari sent Doctor W. C. Martin to the United States in 1927 certain gifts of consequence were provided for presentation to the President. I am certain that His Majesty had no intention of material consideration in the sending of such gifts. They represented the traditional and inflexible idea of Ethiopian courtesy.

The

The gift-bearing custom is firm, fixed and established in Ethiopia. All foreign interests here excepting the American, whether official or private, have bowed to it. Actually certain foreign official interests have unwisely improved upon it. The British, French, and Italians to a great extent, and the Germans, Belgians and Egyptians to a lesser extent, have outdistanced the ordinary Ethiopian custom of gift-bearing. Private American interests here have frequently endeavored to follow the custom but not with the skill shown by their European brethren. The average American brings a moving picture camera, a cuckoo clock, a toy sword or some such sort of a comparative gimcrack which indicates that he looks upon the Ethiopians more or less as one of the socalled savage African communities which the Akeleys, Martin Johnsons, Stewart Edward Whites, etc., etc., have written about. I have, therefore, made careful investigations upon which to base the suggestions given in my telegram hereby confirmed.

The American Legation holds the quite unique position of officially spending nothing for gifts or entertainment to the Ethiopians. I spend a great deal of time and patience (not to mention some money from my own comparatively slender income) in endeavoring to explain and persuade the Ethiopians that such is not American custom. Perhaps four or five years will be required to convince them but probably in the end they will understand that we are entirely different in such

respects

respects from all other foreigners with whom they come in contact. The experiment of thus endeavoring to establish ourselves will at least be interesting.

American business enterprises intending to promote themselves here will, however, find that they cannot hold out as different from others. They will generally make no substantial progress unless they meet the custom of initial gifts on the courtesy basis and of probable later payments, politely called also gifts, to clinch the contract or concession. Perhaps American interests will not wish to establish themselves by such means. That is for them to decide. But my pretty definitely supported opinion is that to obtain business of importance here they must follow the practice of their active and aggressive European competitors.

In the matter of the specific presents suggested in connection with the visit of the White Corporation representative I thought that the sacred triptych for the Empress could represent such degree of intrinsic value as the donors might desire, and would at the same time flatter Her Imperial Majesty by the implied compliment of recognizing her devout and religious character. King Tafari's main interest is in military equipment. A heliographic signalling apparatus impressed me as perhaps the most innocuous equipment of the sort which might readily be brought and still

elicit

elicit his attention. I have heard him express an interest in such apparatus. A crucifix, or a communion service, was suggested for the Itchigue, at present head priest and chief of the state church. He, too, likes to have definite or implied recognition of his religious character. Also he is at present building a new church near Addis Ababa to which the gift intended for him might be dedicated.

The interest and support of both the Empress and Itchigue must be obtained for proper arrangement of the dam matter. King Tafari cannot put it over alone. The site of the dam is partly in the territory of the perverse Ras Guksa who is a very obstinate and erratic provincial ruler and who is an obstructionist to practically all projects of the central government sponsored by King Tafari. Guksa is the husband of the Empress from whom he is separated for political reasons, but not divorced. They are still friendly. Her Majesty alone can influence him. The Itchigue's support is particularly required as he not only influences the Empress but will be able to reconcile certain church interests in the vicinity of Lake Tsana which have always objected to the dam.

The brief cases and army rifles suggested in my telegram would be useful for gifts to certain lesser officials with whom the White Corporation representative will come in contact according to the circumstances

which

which will develop after his arrival here. The army rifles could be brought in with him as personal luggage and the Legation would have no trouble obtaining the necessary Ethiopian permits.

I have gone into at some length the general subject of gifts and the special subject of the White Corporation gifts as I realize that the officers of the Department will find it difficult to appreciate the local custom and practice in these respects. The situation does, however, definitely exist and my comments are the result of careful and matured consideration which lead me to what I feel is unmistakable conviction. Ethiopia and the Ethiopians can be estimated by no other of the many national or racial standards with which I have come into contact in more than twenty years residence abroad. To understand the Ethiopians and certain of their customs, such as that forming the main subject of this despatch, one must know Ethiopia at firsthand. Incidentally one must either have or simulate a more or less unusual and unlimited patience and good humor to deal successfully with them. They are a decidedly umusual and, under some circumstances, trying people. Of the many past and present Diplomatic and Consular representatives whom I have known during their service in Addis Ababa not one has concealed his realization of the inevitable requirement for an intermission of rest and relaxation away from the country every year or so.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department
OR
Charge to

TELEGRAM SENT

TO BE TRANSMITTED
CONFIDENTIAL CODE
NONCONFIDENTIAL CODE
PLAIN

Department of State

Washington,

Gano Dunn,
J.G.White Engeering Cor.,
43 Exchange Place,
New York City.

May 6, 1929

AMLEGATION

ADDIS ABABA.

20

Please ask Lardner to telegraph Dunn through Legation a brief report of his first week's activities at Addis.

Clark
Acting

NE GHS/LVD

884.6461-Plane/53a

May 6 1929

Enciphered by ...

Sent by operator ..... M., ..., 19...

GOVERNMENT PRINTING OFFICE 1—198

TELEGRAM RECEIVED

EG Index Bureau
RECEIVED
MAY 8 1929
Dept. of State

GRAY

FROM ADDIS ABABA

Dated May 8, 1929

Recd. 10.15 a.m.

Secretary of State

Washington

DEPARTMENT OF STATE
8 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Letter to Secretary 5/8/29

15. May 8, 11 a.m.

Referring to Department's telegram of May 6, 5 p.m.

The following is from Lardner for Dunn.

"Presentations accomplished. Friendly attitude. Business negotiations delayed Easter holidays which terminate this week."

SOUTHARD

WSB

INDEX BUREAU
884.6461-Transaction/84

TO AC FOR BILLING
Skeleton sent to BA for billing 21 Jan

FILED
MAY 9 - 1929

May 8 1929

In reply refer to
NE 884.6461-Teams Dunn/84

Dear Mr. Dunn:

The following is a message from Mr. Lardner to you dated from Addis Ababa, May 8:

"Presentations accomplished. Friendly attitude. Business negotiations delayed Easter holidays which terminate this week."

Sincerely yours,

G. Howland Shaw

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

45 Exchange Place,

New York City.

NE GHS/LVD

884.6461 - Teams/84

A true copy of the signed original.

CR

May 8, 1929 PM

RECD

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

April 11th, 1929.

DEPARTMENT OF STATE
MAY 11 1929
DIVISION OF
NEAR EASTERN AFFAIRS

CLASSIFICATION CANCELED MAY 11 29
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heine, Archivist
Date 9-21-59

Substance to Mr. Dunn 5/13/29 by personal letter. Gad.

~~STRICTLY CONFIDENTIAL~~

FOR DISTRIBUTION - CHECK

	Yes	No
To the Field		✓
In U. S. A.		✓

No. 180.

INDEX BUREAU
884.6461/1

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that the Legation has learned from reliable authority that both the Italian and German Ministers in Addis Ababa have suggested to King Tafari that the White Engineering Corporation is importantly supported and influenced by British capital.

The object of the German Minister is, of course, the pursuit of German ambition to have a hand in the proposed construction of the Tsana Dam. The probable object of the Italian is to embarass possible American interests here as he has been trying to embarass all

other

Confidential File

NE 4-3-31 W.

other national interests excepting the British.

In a recent interview which I had with King Tafari he brought up this matter of the White Corporation and British capital and seemed much concerned. Without having any exact data for the purpose I was still able to assure him that such could not be true. But a certain mistrust has been created which was doubtless the object of my Italian and German colleagues.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received ----

AM RECD

DIVISION OF BUREAU
12 1 2 3 4 5 6 7 8 9 10 11
MAY 22 29
FAR DISTRIBUTION

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

April 20th, 1929.

AE

915
9:25

DEPARTMENT OF STATE
MAY 23 1929
DIVISION OF
NEAR EASTERN AFFAIRS

NEAR EAST BUREAU
884.6461 - Loans
Dams/86

No. 186.

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461 Loans
Dams/81a

I have the honor to refer to the Department's telegraphic instruction of April 13th, 11:00 a.m., requiring appropriate arrangements for the entry of Mr. Henry A. Lardner of the White Engineering Corporation at Djibouti and into Ethiopia.

Appropriate courtesies have been arranged for Mr. Lardner as will be indicated by the enclosed copies of translations of two letters, one addressed to this Legation and the other to the Ethiopian Ministry of Commerce.

APR 3 1931
FILED

It

It may be noted that in the letter addressed by the Ministry of Foreign Affairs to the Ministry of Commerce authority is given for the free entry of an unlimited amount of Mr. Lardner's baggage and effects. This is unusual as on the infrequent occasions when customs courtesies are granted the letter of authority invariably specifies the exact number of packages excepting, of course, when the intending visitor is royalty or of outstanding distinction. This exceptional courtesy was obtained through the exercise of the influence of the Legation motivated by its desire to enhance the importance of Mr. Lardner for such value as that may have in his negotiations here.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

2 Enclosures.

Enclosure to Despatch No. 186 of April 20th, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia.

Translation.

EMPIRE OF ETHIOPIA.

Ministry of Foreign Affairs.

No. 27.

To His Excellency Mr. Southard,
Minister of the United States of America.

Greetings to you.

Following your letter of Miazia 10th, 1921 (April 18th, 1929) about Mr. Lardner, I have telegraphed to our Consul at Djibouti to receive him.

I have sent you herewith the letter written to the Minister of Commerce for free entrance of his luggage; informing you that your interpreter should show it to the Minister of Commerce.

Miazia 11th, 1921 (April 19th, 1929), Addis Ababa.

(Sgd.) Belaten Gheta Herouy W.S. (Seal) EMPIRE OF ETHIOPIA.
H.W.S.

DIRECTOR GENERAL OF FOREIGN AFFAIRS.

Ministry of Foreign Affairs.

Enclosure to Despatch No. 186 of April 20th, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia.

Translation.

EMPIRE OF ETHIOPIA.

Ministry of Foreign Affairs.

No. 656.

To His Excellency, Negadras Makonnen,
Minister of Commerce.

Mr. Lardner, who comes from America, being a guest of our Government, we inform you that all his luggage should pass free of duty both at the Diré Daoua and the Addis Ababa custom houses.

Miazia 11th, 1921 (April 19th, 1929), Addis Ababa.

(Sgd.) Belaten Gheta Herouy W.S. (Seal) EMPIRE OF ETHIOPIA.
H.W.S.

Ministry of Foreign Affairs.

DOCUMENT FILE

NOTE

SEE 702.8462/1 FOR Despatch Dip.#182

FROM Abyssinia(Ethiopia) (Southard) DATED April 15,1929.
TO NAME

REGARDING:

INDEX BUREAU
884.6461 Tsana Dam/87
1—1127

German success must, in theory at least, be importantly at Italian expense, and possibly at American expense if they persist in including the Tsana Dam in their ambitions. It may be observed by some that the British would never consent to German construction of the dam, but stranger things have happened in this new era of international conciliation and of forgetting and forgiving so long as economic [illegible] are not unduly trod on. The British are apparently at least ready to believe that the Ethiopians are [illegible]ably and honorably set in their opposition to British construction of the dam. If they cannot get the job why be too discriminating as to who does get it? That, at least, is the impression easily obtainable here.

PM RECD

INDEX BUREAU DEPT. OF STATE

MAY 27 29

AFE

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

April 29th, 1929.

DEPARTMENT OF STATE
MAY 28 1929
DIVISION OF NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - CHECK	Yes	No
To the Field		
In U. S. A.		

INDEX BUREAU
884.6461 Tafari/88

No. 188.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report, for the information of the Department, that Mr. Henry A. Lardner, Vice President of the White Engineering Corporation, New York City, arrived in Addis Ababa on the evening of April 24th, 1929.

On the afternoon of April 26th, 1929, he was presented to King Tafari but for obvious and appropriate reasons no attempt was made to begin business negotiations on that occasion. In response, however, to an expression of our wishes in the premises His Majesty indicated a willingness and intention of initiating the discussions promptly. Unfortunately

FILED
APR 3 1931

fortunately the two weeks beginning today cover the Ethiopian Easter observances and celebrations. There will be practically no official business transacted. It is possible that the King will find some time to start negotiations before the Easter celebrations end but such cannot be depended upon with certainty.

On the afternoon of April 28th, 1929, Her Imperial Majesty, the Empress Zeoditu, consented to receive Mr. Lardner. She was more than ordinarily amiable and cordial and went so far as to initiate some of the conversation. Her Majesty referred to the purpose of Mr. Lardner's visit and expressed the wish that it might all be arranged promptly. This phase of the conversation was not pursued as the Legation understands that the King wishes to confine all business discussions to himself. As he wields the deciding authority he must be deferred to.

Also out of deference to the King's wishes Mr. Lardner will not be taken to call on the Itchigue and other prominent Ethiopians until the business discussions shall have progressed to some extent. Exceptions have been made of Doctor Martin and the Minister of Foreign Affairs upon whom calls have already been paid.

Mr. Lardner has been taken to call at all the foreign Legations and will have appropriate contacts established for him with all other leading foreign residents.

A

A dinner to the Diplomatic Corps has already been given in honor of Mr. Lardner.

The Legation is impressed with Mr. Lardner's qualifications for the proposed negotiations and believes that he will obtain favorable results if such are obtainable. The discussions are likely to be long and tedious. A great deal of the time of the undersigned will necessarily have to be given to Mr. Lardner and his negotiations during the period of his stay here which may run into several weeks.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

AM RECD

LEGATION OF THE

UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

May 11th, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

~~CONFIDENTIAL.~~

JUN 10 29

FOR DISTRIBUTION -- CI... Yes No

No. 191.

DEPARTMENT OF STATE
MAY 11 1929
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU
884.6461-Tsana Dam/8

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 123 of January 21st, 1929, and to various previous despatches on the subject of Gordon MacCreagh and his purported connection with the Tsana Dam project of the J. G. White Engineering Corporation of New York City.

884.6461 Tsana Dam/7

As a perhaps concluding chapter of his present sojourn here the Department is informed that MacCreagh has just indicated to the Legation his intention to sail on May 29th, 1929, from Djibouti en route to the United States. A passport has been issued to him.

Since

Confidential File.

FILED

APR 3 1931

E

NE
4-3-31

Since his severance of connections with the American Museum of Natural History expedition to Ethiopia he has lived in Addis Ababa for the announced purpose of collecting material for his journalistic and other work. Actually he appears to have been waiting developments in the Tsana dam matter. Upon the recent arrival here of Vice President Henry A. Lardner of the White Corporation the Legation was asked by Mr. MacCreagh to arrange for him an introduction. Mr. and Mrs. MacCreagh were accordingly invited to the Legation to have lunch with Mr. Lardner. There were subsequent interviews between Messrs. Lardner and MacCreagh which evidently did not nourish the ambition of the latter to connect himself with the negotiations being conducted by Mr. Lardner with the Ethiopian Government. At any rate the announcement of the intended MacCreagh departure for home was made shortly thereafter.

Mr. MacCreagh is understood to be peeved over his failure to interest Mr. Lardner in employing him here at this time in connection with the Lake Tsana business. He is understood since to have asked Mr. Lardner's "advice" (in a manner which could be interpreted as a veiled threat) as to the propriety upon his return home of submitting for publication in the Hearst papers a series of articles exposing alleged British and Italian political iniquities and intrigues in Ethiopia. Such a series of articles could conceivably react unfavorably upon the

Tsana

Tsana Dam negotiations and MacCreagh knows it. Naturally Mr. Lardner replied to MacCreagh that he thought publicity of that nature would be most ill-advised. The latter did not indicate definitely whether he would or would not write articles of the kind. His animus of disappointment will, it is thought, find an outlet either in this or in some other way not now evident.

The Legation has had authentic report of various highly critical remarks made lately by MacCreagh concerning Mr. Lardner and the negotiations recently initiated with the Ethiopian Government. Fortunately MacCreagh has not been able to make his criticisms to people in influential position in Addis Ababa as he has no social or other responsible contacts in such circles. However, gossip of the kind set in motion by one American concerning another is bound to spread in a small foreign community such as exists in Addis Ababa. It is unlikely to produce any important unfavorable effect but is undesirable on general principles. All of MacCreagh's criticisms are without foundation and have been made without inside knowledge of the situation. His emotions apparently must have some outlet now that he realizes that the White Corporation has learned something of what might be called the spurious character of his representations and qualifications in connection with their business.

Mr. MacCreagh has recently called several times at the Legation to request assistance in speeding up the

issuance

issuance by the Ethiopian Government of a mining concession for which his application has a long while been pending. The Legation has given him prompt and all appropriate assistance. The Minister of Foreign Affairs a few days ago promised the undersigned that he would use his influence with the Commission which has to do with mineral concessions. It is suspected by the Legation that MacCreagh's concession has been delayed by his failure to make the necessary informal payments customary in concession matters of the kind. Reference to the concession here is mainly to insure that the Department be informed as to this additional activity of MacCreagh and that it may know that all possible assistance has been given him.

The Legation will feel considerable relief when MacCreagh shall finally have departed. His presence here adds nothing to American prestige and might conceivably have a contrary effect under certain circumstances, particularly during this time that serious negotiations in the Tsana Dam matter have begun,

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

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Department of State

Skeleton sent bas for billing

J. G. White Engineering Corp.,
43 Exchange Place,
New York City.

Washington,

No distribution

June 12, 1929

AMLEGATION

ADDIS ABABA.

For Mr. Lardner.

Quote Telegram Seventeen, letter seventh, just received. Cannot make plans regarding London until you telegraph us King has signed when we will take up with London through Embassy Washington immediately. Recent indications point possibility preliminary conference Cairo preceding London. Dunngano. Unquote.

Clark, Curry

GNH

NE GHS/LVD

Message telephoned by Mr. Gano Dunn, President of the J. G. White Engineering Corporation.

No distribution

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June 12, 19 PM

Enciphered by

Sent by operator *M.*, *19*

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—185

SS4 6461 - Trans Dunn 819

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Department of State

Skelton sent to BA for Wilson Del Sec.

Cano Dunn, President,
The J.G.White Engineering Corp.,
43 Exchange Place,
New York City.

Washington, June 17, 1929

JUN 17 29

AMLEGATION

ADDIS ABABA (ETHIOPIA)

2C

Please telegraph whether you have received Department's 25, June 12, 6 p.m. for Lardner.

Clark
Acting

EHS

884.6461-Tsana Dam/

EHS

NE GHS/LVD

884.6461 - Tsana Dam

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CR

June 17, 1929

Enciphered by

Sent by operator ..... *M.*, ..., *19*...

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—188

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

May 17th, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

DEPARTMENT OF STATE
JUN 21
DIVISION OF
NEAR EASTERN AFFAIRS

~~STRICTLY CONFIDENTIAL.~~

FOR DISTRIBUTION - C... Yes No
To ...old
I... S. A

No. 196.

INDEX BUREAU
884.6461-Tsana Dam/90

The Honorable

The Secretary of State,

Washington.

884.6461-Tsana Dam/92

Sir:

I have the honor to refer to the Department's telegram No. 21 of May 9th, 6:00 p.m., 1929, with a message from President Dunn of the J. G. White Engineering Corporation to his local representative who is advised to keep in close touch with the Italian Minister at Addis Ababa with a view to the latter intervening in support of the Corporation's Lake Tsana proposals when the moment appears most favorable.

This Legation is strongly of the opinion that intervention by the local Italian Minister would promptly and effectively

Confidential File.

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APR 3 1931 E

effectively wreck, or indefinitely delay, the present apparently favorable progress of the Lake Tsana negotiations. That also is the opinion not only of prominent Ethiopians with whom the Legation is in close touch but of certain official Europeans as well. There is much circumstantial evidence that the Italians could not conscientiously wish any foreign enterprise well here in view of their national policy which contemplates Ethiopia as a field for their own economic - and possibly political - expansion. The Department has on file many despatches from the Legation which elaborate this Italo-Ethiopian situation and relation.

By alleged, and quite probable, extravagant expenditure of money and effort the Italians have at present with King Tafari a seeming position of influence. So long as they are willing to contimue financial subsidies to, and fawning upon, certain Ethiopians such apparent influential position may possibly be maintained. But there is no great substance to their position with the King and his party, and the Empress and her party do not even pretend that any Italian favor or prestige exist. Many who know the King intimately say that he has never for a minute been misled by the Italian representations of friendship and goodwill. His general love of peace and conciliatory relations, however, causes him to appear tacitly to admit the Italians to their so ardently sought position of favor, but without any

change

change in his inner conviction that Italy is ambitious to absorb, or at least to dominate, this country by one means or another. Even officials of the British Legation admit this in their more confiding moments. And the Italian Legation and Italians in this country appear at least to have the veiled ill will of every other national interest here outside the British and the Honorary Greek Consul General. The latter is a man of somewhat unenviable reputation who is generally considered a catspaw for the present Italian Minister in certain machinations which allegedly are none too honorable.

I am convinced that the local British Chargé d' Affaires thoroughly distrusts our Italian colleague and Italian designs in general in Ethiopia. He will, of course, carry out the instructions of his government as indicated in the Department's telegram hereby acknowledged. This Legation has no means of obtaining definite information in the premises but it is strongly inclined to the opinion that the indicated instructions of the British Foreign Office have been indirectly inspired by representations to Rome from the Italian Legation here. This Legation has information which it considers reliable, but which obviously cannot be of such character as to constitute tangible and legal evidence, that the local Italian Legation has at times by more or less subtle methods endeavored to impede

American

American participation in the Lake Tsana project. It is also convinced that the Italian Minister here concluded a few months ago that the Ethiopians were determined that <u>if</u> they did decide to build the dam it would be given into American hands. He therefore reasoned that further opposition, either concealed or open, might be poor strategy. On the other hand something could perhaps be gained by accepting the situation and striving for such prestige as might be obtainable from appearing to support the potentially winning side. In other and American words of a kind they now reckon it opportune "to get on the band wagon." Such at this end can be our only interpretation of the Italian official offer of support, via the British Embassy in Washington, to the White Corporation's project.

Italian support seems in no sense desirable or necessary. An entirely neutral attitude on the part of the Italians would, of course, be highly desirable. That is the most we could ask from them. They have already tried hidden opposition and found it to fail. Continued opposition might possibly harass our negotiations but could hardly influence the final outcome one way or another. Should the Italians by their latest strategical move succeed in having it appear to the Ethiopians that the Americans encouraged or desired Italian support the negotiations of the representative of the White Corporation would most likely end fruitlessly -

lessly - for American interests. Any enlistment of Italian support would, it is believed, promptly frighten the Empress and the church party. It might not influence King Tafari one way or the other. True enough he it will be who signs any concession given. But it is also true that no such concession could be effective if sufficiently opposed by the Empress and the church. The only foreign support or favor just now required by the White Corporation outside of this Legation is the acquiescence by the British, already given, that they favor the White project. No sustained active support here even from the British seems desirable. The King has already been informed by the British Foreign Office that the British Government is willing for the Ethiopians to build the dam by employment of the White Corporation. Nothing more from the British is required for the moment.

It is, of course, very canny on the part of the Italians indirectly to endeavor to persuade the White Corporation that their influence is essential to a successful outcome of present negotiations. That would strengthen their burning ambition to make it appear that they are of ranking influence in Ethiopia and that their assent is indispensable to the success of any other national enterprise for participation in Ethiopian economic development. Incidentally, should the concession be gained by the White Corporation in

the

the belief that Italian favor helped, the latter could advance the claim (which they already have in mind) to participation in the work on some basis. My Italian colleague several weeks ago pointedly indicated to me his hope that if the concession for the dam should be obtained there would be some way in which the Italians might take part in the work if only in the supply of men and materials.

All of the above represents our confidential opinion and is not permitted to affect the outwardly very cordial friendly and other relations which we have with the Italian Legation. When Mr. Lardner arrived he was taken to call promptly at the Italian Legation and has continued to participate in the cordial social and other relations between the two Legations. The Italian Minister, Mr. Cora, is giving a dinner in honor of Mr. Lardner on May 17th, 1929. Matters in these respects are all very lovely and will not be otherwise. But we know our Italian friends and must be most tactful while preserving friendly relations not to let the Ethiopians gain the impression that we are unduly intimate. The Italian Legation in the meanwhile appears to be making strenuous and underhanded efforts to learn the contents of the proposed concession. The Armenian interpreter of this Legation reports this morning that one of his contacts at the Ethiopian Foreign Office

told

told him of an attempt by the Armenian head of the local Italian intelligence service to obtain a copy through one of the Italian paid employees of the Foreign Office. The game is a merry one.

If the concession is granted the responsibility for success of the negotiations will belong importantly to Mr. Henry A. Lardner, supported naturally by the particularly influential position which this Legation has with the Ethiopians. Should the concession be not granted the reason will probably be found in the inability of the Empress and the King to agree, with possibly some intrigue of the established church against the latter. Negotiations are at present under way. The proposed concession is in the hands of the King and is being studied by His Majesty with the assistance only of the Minister of Foreign Affairs. They will be deliberate, as is the Ethiopian custom, but there is no reason at present to doubt that some sort of concession will be offered during the next few weeks. Whether the concession will be in a form acceptable to the White Corporation can be no more than conjectured at present.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

K.H.C.

TELEGRAM RECEIVED

DEPARTMENT OF STATE
JUN 2 0 1929
DIVISION OF
NEAR EASTERN AFFAIRS

...n

FROM GRAY

ADDIS ABABA

Index Bureau
RECEIVED
JUN 20 1929
Dept. of State

Undated , 1929

Rec'd. 1.15 p.m. June 20th

Secretary of State,

Washington

17.

Referring to Department's telegram of June 17, 10 a.m.

I have received and delivered to Lardner Department's telegram No. 25 of June 12, 6 p.m.

SOUTHARD

884.6461-Tsana Dam/-

KLP

INDEX BUREAU
884.6461-Tsana Dam/91
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APR 3 1931

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Department of State

OR

J. G. White Engr. Corp.,
43 Exchange Place,
New York City.

Washington,

AMLEGATION

June 21, 1929.

ADDIS ABABA (ETHIOPIA)

1 pm

The following is a duplicate of Dunn's message to Lardner No. 10 sent on June 20, 5 p.m.

QUOTE Twenty-one, twenty-three received June twentieth. We understand cables but do not understand situation. Plan proposed seems to involve no financing by us and no concession to us and contemplates solely status of construction contractor. We consider our prospects securing such contract not attractive. We infer your proposed departure public evidence disapproval. Do you think defeat concession caused secretly by British thru misunderstanding their local representative. We have confidence good faith their Foreign Office and hope London conference can bring back to old basis. British cannot sign contract take water without knowing construction cost. Dunngano will probably personally participate London conference. Taking train tonight Washington for appointment Ambassador June twenty first and full discussion State Department. Will cable results June twenty first. Show this Southard. Cable your opinions. END QUOTE.

CR

NE GHS/GC

Jpg. 21.1929

Enciphered by .....

Sent by operator ..... *M.*, ..., *19*...., ...

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Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—138

TELEGRAM RECEIVED

KLP

Index Bureau

This telegram may be closely paraphrased before being communicated to anyone.

Dept. of State

FROM

Addis Ababa

Dated June 21, 1929

Rec'd. 23rd, 9:40 a.m.

CLASSIFICATION CANCELLED
Authority: letter 1-8258
W. H. Anderson, State Dept.
By Ronald L. Heinl, Archivist
Date 9-21-59

Secretary of State,

Washington, D.

DEPARTMENT OF STATE
JUN 25 1929
DIVISION OF NEAR EASTERN AFFAIRS

18, June 21, 10 p.m.

~~CONFIDENTIAL~~

The King has today signed and sealed in the form of a letter an agreement to give to the White Company construction enitrely for the Tana Dam. In this letter the Government of Ethiopia undertakes also to inform the British Government of its agreement with the White Company and of its consent to discuss proposals for a water contract. A representative of the White Company is invited to participate in the negotiations with the British Government. Under the difficult local circumstances I consider this letter a satisfactory completion of the first of three steps. The second step will be negotiation of the water contract with the British Government and the third step completion of the Ethiopian engagement to sign (~~their present?~~ Construction) contract ~~with~~ (with?) the White Company.

FILED
JUN 28 1929

SOUTHARD

KLP

Skeleton sent to BA for bribery 2nd Sec

PARAPHRASE OF CONFIDENTIAL MESSAGE FROM THE AMERICAN LEGATION AT ADDIS ABABA, DATED JUNE 21, 1929

An agreement to give to the White Company the construction entirely for the Lake Tsana Dam has been signed and sealed today in the form of a letter. The Ethiopian Government in this letter also undertakes to bring to the knowledge of the British Government its agreement with White Company and its consent to discuss proposals for a water contract. An invitation is extended to a member of the White Company to participate in the negotiations to be held with the British Government. Having in mind the difficult local circumstances it is my opinion that this letter is a satisfactory completion of the first of three steps. The negotiation of the water contract with the British Government will be the second step. The completion of the Ethiopian engagement (?) to sign (their present?) contract with (?) the White Company will be the third step.

884.6461-Tsana Dam/92

HE GHS/LVD

EPARING OFFICE
L INDICATE WHETHER

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$ Mr. Gano Dunn
43 Exchange Place,
New York City

TELEGRAM SENT

Department of State

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Washington,

June 22, 1929.

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AMLEGATION

ADDIS ABABA, (ETHIOPIA)

28

Following for Lardner. Quote Communicated June 21 to Ambassador Washington your telegrams 21 and 23 including your recommendation for London Conference to be requested by British. Reserving right to adhere to our original plan described in concession have expressed willingness attend such Conference and pointed out our relinquishment financial sponsorship and acceptance status construction contractor only, will probably lose us contract and by eliminating financial responsiblity remove American character enterprise destroying principle factors ultimate success. We now await their replies which will communicate through Southard. We do not feel warranted in dissenting your plan to leave June 23 on account your and Southard's agreement support it. Dunngano. Unquote.

NE GHS/MNB

Jun. 22. 1929

(Dictated by Mr. Dunn from New York over the telephone)

Enciphered by .....

Sent by operator ..... *M.*, ..., *19*...,

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—1[illegible]

In reply refer to
NH 884.6461-Trans Dun/92

June 25 1929

Dear Mr. Dunn:

I enclose herewith a paraphrase of Mr. Southard's telegram, the substance of which I have just given you over the telephone.

I received this morning your letter of June 22nd enclosing copies of Mr. Lardner's latest correspondence with you. I have also received a copy of the letter of introduction which you have given to Mr. Carl Breuer.

Sincerely yours,

Enclosure:
Paraphrase, as stated.

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

NH CHR/LVD

Jun. 24, 1929 PM

884.6461-Trans Dun/92

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Mr. Gano Dunn, President,
The J. G. White Engineering
Corporation,
43 Exchange Place,
New York City.

Washington,

June 24, 1929

AMLEGATION

ADDIS ABABA, ETHIOPIA.

29 Following is text of message sent directly to Lardner by Dunn today; QUOTE. Will immediately communicate your No. 29 to British Ambassador and telegraph thanks His Majesty King Tafari for gifts. Suggest you return immediately New York for full report enabling us better to prepare for three party conference which we believe will require some weeks to arrange and which may require your returning Europe with Dunngano later. Hope you are well. Appreciate your work. Will notify Mrs. Lardner. Keep us advised where cables will reach you. Dunngano. ENDQUOTE.

First
NE GHS/LVD

Stimson.

First.

CR

Enciphered by ..

Sent by operator .. *M.*, ..., *19*..

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 2—1928

884.6461-Lardner/192a

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Department of State

The J. G. White Engineering Corp.,
43 Exchange Place,
New York City.

Washington,

June 28, 1929

AMLEGATION

ADDIS ABABA (ETHIOPIA)

31

Following for you from Dunn, President, White Engineering Corporation, QUOTE We desire to take the occasion of Mr. Lardner's intended departure on June 30 to express to you the thanks and particular appreciation of The J. G. White Engineering Corporation and of myself personally for the unusual assistance, facilities and courtesies Mr. Lardner has received and we have received at your hands. I propose shortly to write to the Secretary of State a letter calling his attention to our indebtedness to the Department and to you personally. You have not only made our interest your own but have given evidence of a skill which has contributed vitally to the work of Mr. Lardner's mission. I beg therefore you will accept ~~effectively and personably~~ this expression of a lively gratitude. ENDQUOTE.

NE GHS/LVD

Jun.

Enciphered by

Sent by operator *M.*, , 19 .., .

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—1288

811.6461-Trans Am/1924

RECD

JUL 1 29

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

May 31st, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-11-59

~~CONFIDENTIAL.~~

FOR DISTRIBUTION - CHECK
To Yes No
In U. S. A

DEPARTMENT OF STATE
JUL -2 1929
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU
884.6461-Dam/93

No. 201.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report the following happening which is believed to represent another link in the existing strongly circumstantial evidence of Italian intrigue and duplicity in opposing American as well as other national effort to participate in the economic and social development of Ethiopia.

A little while ago I was very confidentially told by the Oriental Secretary of the British Legation in Addis Ababa that he had learned from his close friend the private secretary of His Majesty, King Tafari, that the local Italian Minister had approached the King and represented

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APR 3 1931

represented that if the Tsana Dam negotiations with the White Corporation fell through the Italians had a group prepared to undertake the construction of the dam at much less cost than would be required by the Americans. My Italian colleague is further represented on this same occasion as having told the King that the Americans would probably demand to handle the capital and income connected with the dam and that they, the Italians, would never be so lacking in confidence in the Ethiopians as to make such conditions.

This bit of gossip I disposed of, as usual in such cases, by pigeon-holing it in my mind for future consideration. Circumstances indicate that the reported conversation of the Italian Minister with the King took place at practically the same time the former set in motion the suggestion to his Government which resulted in the telegram commented upon in the Legation's No. 196 of May 17th, 1929. Evidently while proposing that his Government represent the need for Italian cooperation he was intriguing here in an endeavor to embarass, if possible, the White Corporation's negotiations. In doing such, however, he would be but running true to the character with which he is generally credited here by those who know him best.

Yesterday the Ethiopian Minister of Foreign Affairs came to the Legation to discuss further the proposed Tsana Dam concession. For the first time he brought up the matter of control of finances and said that the

Ethiopian

Ethiopian Government would, of course, expect to handle at first hand the income from the operation of the dam. As his statements in matters of this importance invariably represent the King's inspiration, and as the King had originally no such ideas concerning the handling of the Tsana dam income, I have naturally linked up the new attitude with the conversation reported in the second paragraph above. To give the Ethiopian Government first control of the income from the proposed dam would be fatal to its operation and to the refunding along business lines of the capital expended. This Legation would most seriously advise the White Corporation against accepting a concession under such restriction, although it is unlikely that advice of the kind would be needed now that the Corporation's local representative has familiarized himself with conditions. We have not yet reached this point of discussion with the King himself and cannot, therefore, make now any definite statements as to his final attitude.

These details are reported, however, as representing another instance of probable Italian duplicity and intention to rule or ruin in such foreign activity as the Ethiopians may be induced to employ in the economic and social development of their country. This latest incident, considered from the viewpoint of local atmosphere and in a setting of previous incidents reported during the last year from this Legation, appears to add further strong circumstantial evidence towards confirmation of

the

the Italian "dog-in-the-manger" attitude in Ethiopian affairs.

This office has for obvious reasons cultivated cordial relations with the local Italian Legation. Such relations exist, although we have always had to go more than half way in establishing and maintaining them. The very strong circumstantial evidence which we have of probable Italian duplicity and intrigue has not been permitted to color in any way the appearance of the attitude of friendliness and cordiality which we have considered it tactful to evidence. Of course, Italian activities here seem perhaps no more than natural if one pauses to weigh dispassionately the comparatively desperate ambition of Rome to find an outlet in African territory for its intensive ambition of economic penetration or imperialism. The Italian aim is thought not specially directed at American interests. It is believed directed at all national interests operating in Ethiopia.

Italian efforts here are believed unlikely definitely to obstruct American interests in which there is a really genuine Ethiopian intention to do business. The Legation is, however, conscientiously convinced that all these matters should be placed before the Department. They may have some little value in aiding it not to be unknowingly influenced by the fair promises and representations which perhaps reach Washington directly from Rome. Such is the motive of this despatch.

I

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received ---- 1:45

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

AE

June 6th, 1929.

JUL 8 29

DEPARTMENT OF STATE
JUL 1929
DIVISION OF
NEAR EASTERN AFFAIRS

~~STRICTLY CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept
By Ronald J. Heise, Archivist
Date 9-21-59

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INDEX BUREAU
884.6461-Tsana Dam/94

No. 203.

4.606 1-dam 1-dam2

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 201 (193) of June 5th, 1929, reporting certain circumstantial evidence tending further to establish Italian duplicity in the matter of the Tsana Dam project in Ethiopia.

My British colleague here, at present Chargé d' Affaires, and a dependable young man, informs me in strict confidence that he has read in a letter received by him from an official of the British Foreign Office who is his personal friend that the Italian Counsellor of Embassy in London has visited the British

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APR 3 1931

ish Foreign Office quietly to sound out opinion as to British attitude towards Italian construction of the Tsana Dam should the present negotiations of J. G. White and Company, Incorporated, fail.

The British Chargé here is well aware of the perhaps not always strictly ethical methods of the local Italian Legation, which have been referred to in various of the Legation's despatches, and is much inclined to the opinion that the Italian Embassy in London is working under cover somewhat along the same lines, with particular reference to the proposed Tsana Dam project.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

While Jim no doubt that a lot of double-crossing & intrigue does go on in Addis, don't you imagine Southard has an "intrigue complex"?

Hence Cora: The present Italian min visit to Addis, in February - it to course had nothing to intrigue over there

RECD

INDEX BUREAU
DEPT. OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

June 21st, 1929.

Original of letter sent to Mr. G. Dunn. 7/19/29. JHS.

CLASSIFICATION CANCELED
Authority: letter 1-8-58 JUL 17 29
W. H. Anderson, State Dept.
By Ronald L. Heisz, Archivist
Date 9-21-59

~~CONFIDENTIAL~~

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I. U. S. A.

884.6461-Tsana Dam/95

No. 211.

DEPARTMENT OF STATE
JUL 17 1929
DIVISION OF NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm the Legation's telegram of this date reporting the results of the visit here of Vice President Henry A. Lardner of the J. G. White Engineering Corporation.

Mr. Lardner's accomplishment is an agreement in the form of a letter addressed to Mr. Gano Dunn, Director of J. G. White and Co., Incorporated. Copies of the letter to Mr. Dunn are enclosed with this despatch. They are translated from the original Amharic. The style and expression is perhaps not as full and explicit as would be a similar letter written originally in English.

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English. Amharic is a poor language compared with English and affords little explicitness or elasticity of expression. The letter, however, as supplemented by the King's oral discussion, is considered from the Amharic point of view as definitely committing the Ethiopian Government to an award eventually of the construction contract for the Tsana Dam to the White organization, and as also definitely committing the Ethiopian Government to undertake in its own way promptly informing the British Government of its willingness to enter into negotiations for the water contract which is required to precede the actual construction contract.

This letter signed and sealed by King Tafari represents in the opinion of the Legation the completion of the first of three main or important steps in what may be hoped to be final accomplishment of the Tsana project.

The next or second step will be completion of an agreement with the British to take the Tsana water on terms which will permit profitable construction of the dam. Assuming that the British are as desirous as they have been represented for the proposed water control they will be able to come to terms with the Ethiopians. As King Tafari in writing indicated his desire for the White organization to participate in the anticipated Anglo-Ethiopian negotiations the Americans should be able to insure terms satisfactory to them

from

from a financial point of view. Such negotiations will presumably take place in Cairo or London and will, therefore, be beyond the scope of this Legation's activity. The White Company might find of some value the advice of the Legation which in the person of the writer has made many years study of the more outstanding of the non-technical features of the Tsana project, but such advice is not essential.

The third step, or negotiation of a construction contract between the Ethiopian Government and the White organization will, it is assumed, take place in Addis Ababa. Again the Legation will probably play an important part, but the situation should be much easier with the first two steps out of the way.

Looking a bit into the future the Legation sees as the greatest difficulty in the way of the White organization — assuming that the British and Ethiopians agree on water rates — the manner of handling of the finances. The Ethiopians are certain to make an initial stand for their own exclusive control of the finances. That is they will wish to receive the income and to make necessary disbursements therefrom. Such control by the Ethiopians could not possibly be accepted by either the White organization or by the British Government. In the first place the Ethiopians are not efficient accountants. In the second place they receive

receive money always with alacrity and disburse always with the greatest of reluctance and then never without more or less prejudicial delay. Such custom is particularly well developed in official circles. Under Ethiopian management expenses of operation of the dam to be met from income would be always in arrears. This circumstance would certainly affect unfavorably regular delivery of the water for which the British would be paying. Interest payments to the White organization, and other disbursements, would be similarly and always in arrears.

This matter of financial control will be a delicate one in view of the well known obstinacy and suspicion of the Ethiopians in international relations. They will probably first weigh obvious selfish considerations. Also they will look upon the matter in the light of their own perhaps peculiar interpretation of their official and national dignity and prestige. They will undoubtedly refuse absolutely to give control of the finances entirely in the hands either of the White organization or of the British. There will doubtless be necessary the formulation of some sort of a trust or financial commission in which all three parties will be represented with, of course, safeguards for what the Ethiopians will advance as their national prestige and sovereignty of which they

are

are becoming more and more aggressively conscious. Adjustment of this difficulty will be possible, but it will, in the opinion of the Legation, require more skill and tact than all others.

Another of the possible major difficulties will be the necessary extension of Ethiopian central Governmental control over the provincial rulers in the Lake Tsana area. Sufficient authority of the kind does not now exist, as the Department will realize from perusal of the many despatches on file from the Legation in which the subject has been discussed from various angles. The most important of the provincial rulers concerned is Ras Hailu, hereditary king of the province of Godjam. He must be reckoned with, but will not prove too difficult if flattered with official attention and promised some profit from the operation of the dam. He is possessed of much business talent and sound ideas along such lines.

Another and much more difficult provincial ruler is Ras Guksa Woli, the appointed governor (not King) of the Gondar area. He is reputed an unusually erratic and obstinate fellow who is never so pleased as when obstructing the desires and wishes of the central government. He possesses a fairly strong position as the ex-husband of the present Empress of Ethiopia. They were separated for reasons of state and not for any reasons of personal or domestic discord, and

presumably

presumably still hold for each other a certain amount of connubial regard or affection. However, Ras Guksa has lately gotten himself into considerable trouble with the central government by the Pruffer-Porta detention incident (see the Legation's No. 205 of June 14th, 1929, and previous despatches) and his relation to the Empress may not be able to save him from recall which is at present rumored.

There are other and minor provincial rulers who may have to be reckoned with but these two are likely to be the most important. The subject can be treated in greater detail when we come to that stage of the Tsana project. The comment herein is mainly for the purpose of briefly outlining the future as it appears to the Legation. In the meantime also the authority of the central government will continue to expand in those provinces not now entirely under official discipline.

The Legation has, in previous despatches on the Lake Tsana matter, indicated its opinion that King Tafari had never really made up his mind to build the dam. The opinion was expressed, and is still adhered to, that His Majesty sent Doctor Martin to the United States originally for the purpose of drawing British fire and uncovering what might be their probable intentions in certain Anglo-Ethiopian

political

political issues upon which the thoughts of the King regularly blow hot and cold. This state of mind of King Tafari drew out into many months the intensive efforts made by the Legation in endeavoring to comply with Departmental instructions to bring about a conference on the Tsana matter. We finally elicited last January his invitation to the White Corporation to send a representative here. The invitation is believed to have been inspired more by the King's desire to escape the further importunities of the Legation than by any active intention to proceed with the dam project.

Upon the arrival here two months ago of Mr. H. A. Lardner representing the White Corporation the King is believed still to have been far from having made up his mind definitely. However, the joint efforts of Mr. Lardner and the Legation have during the last two months had the effect of persuading the King to more definite intention of a kind. While His Majesty is believed not yet finally to have made up his mind he has been influenced to a somewhat active interest to go ahead and see just what might be accomplished. It is hoped that while he is in this frame of mind the British proposals for a water agreement may be speeded up. Should the Department not be in a position to take direct action in the

matter

matter it is assumed that the White organization has sufficient British connection to influence the elimination of undue delay, particularly as it can now responsibly assure the British that the Ethiopians are receptive in attitude.

In brief the opinion is expressed that while the Tsana Dam project as a whole faces considerable further negotiation before actual construction work starts it has also distinctly advanced as a result of these negotiations by the Legation and a representative of the White organization, just concluded by the issuance of an agreement in the form of a letter by King Tafari.

Although it has been essential that the Legation give largely from its own store of practical Ethiopian experience and influence a sustained and very important assistance to Mr. Lardner he has proved himself possessed of the adaptability fully to improve such assistance. Among the obstacles which have been faced in procuring the issuance of the King's letter to Mr. Dunn may be mentioned the following: (1) The prevailing custom of applicants for concessions to accompany their applications with substantial cash inducements to the Ethiopians; (2) the subtle and more or less sly opposition to American enterprise of all other national interests represented here; (3) the great suspicion which the Ethiopians have of any British interest in their country and its resources; (4) the inherent fear and

and superstition of the all powerful established church of the country against foreign activity related to the sacred Lake Tsana on the islands and shores of which are convents, churches, and other similar edifices of particular sanctity in Ethiopian tradition and history; and (6) the absence among most Ethiopians of the Occidental type of business and related mentality and comprehension.

The issuance of the letter to be carried by Mr. Lardner to Mr. Dunn will much minimize for the future most of the above listed obstacles. Particularly will the definite understanding to give the construction contract to the White organization reduce to a minimum the hopes which other national interests, especially those of Italian and German origin, have had of obtaining such work for their own account. Such understanding will presumably greatly minimize the Italian and German efforts heretofore aimed to benefit in the event of failure of the White organization to come to an understanding with the Ethiopians.

The Legation has addressed to Mr. Gano Dunn a letter covering a few of the salient but less confidential points of the situation covering Mr. Lardner's visit, which letter is attached hereto for the Department's approval. The usual discretion has, of course, been followed in the letter to Mr. Dunn, and this

despatch

despatch is written to supplement and elaborate the comment made to him.

Mr. Lardner expects to depart from Addis Ababa, for Europe, by the semi-weekly train of June 26th. It is assumed that if the British respond promptly enough, to the communication which King Tafari has promised to send them at an early date, the water contract conference may be called shortly to take place in either London or Cairo. That at least is the definite impression shared by Mr. Lardner and the Legation on the basis of our last conversation with His Majesty, King Tafari.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received ------ AUG 1 ---

Enclosure to Despatch No. 211 of June 21st, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia.

TRANSLATION FROM THE AMHARIC.

(Great Seal, reading in Amharic: "King Tafari, Heir to the Throne and Regent Plenipotentiary of the Empire of Ethiopia").

------oOo------

King Tafari, Heir to the Throne and
Regent Plenipotentiary of the Empire of Ethiopia

to

The Honorable Mr. Gano Dunn,
Director of J. G. White and Company, Incorporated,
New York City.

Greetings to You.

We have taken note of your letter presented by Mr. Lardner, about the Tsana Dam.

Mr. Lardner explained to us the main points of the contract, which you propose for the construction of the dam.

We have the intention to grant you the contract for the construction of the dam.

However, we find it necessary first to sign a contract with the British Sudan Government about the advantages to be derived from the Tsana Dam and from the rent of the waters.

The British Sudan Government has already made proposals to the Ethiopian Government about this matter. Therefore, we shall inform the British Sudan Government that we now have the intention of negotiating with J. G. White and Company, Incorporated, about the work. Upon agreeing with the British Sudan Government as to the time and place where the necessary negotiations are to begin we shall inform you. You shall then send your representative to join our expert in the negotiations.

Our

Our expert and your representative will then draft an agreement with the British Sudan Government. Before the contract is signed, when the Ethiopian Government studies and approves of the draft of the contract, and after signing and concluding the contract with the British Sudan Government, we shall then negotiate with you the contract for the construction of the dam.

Haile.

Senê 14th, 1921, Year of Mercy,
Addis Ababa. (June 21st, 1929).

NOTE BY TRANSLATOR: The parenthetical date above has been added to interpret the Ethiopian date which is according to a different calendar than that used in Europe and America. The above word "Haile" at the end of the letter is in effect the witness mark of the Keeper of the King's Great Seal, and is customary on Amharic documents of state. The King's Great Seal at the top of the document expresses seal, signature and approval after the Amharic manner.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heiss Archivist
Date 9-21-59

Addis Ababa,
Ethiopia.

June 20th, 1929.

[redacted]

Gano Dunn, President,
White Engineering Corporation,
New York City.

Dear Mr. Dunn:

As Mr. Lardner has already informed you his negotiations here have successfully ended in the issuance by King Tafari of a letter addressed to you which appears to contain all the commitment which can at this time be expected from the Ethiopian Government.

The first point made in the letter is a definite statement that the Tsana Dam construction contract will be given to your organization. This will tend to curb the present very active Italian and German ambition that their interests might obtain the contract in the event of failure of agreement between the Ethiopian Government and the White organization.

The second point in the letter is the agreement of the Ethiopian Government to notify the British Government of its understanding with your organization. This notification implies, as has been definitely explained by the King to Mr. Lardner, indication of the Ethiopian Government's willingness to consider, for the first time, the proposals of the British Government for a contract for water from the dam.

In my reasoning this letter constitutes a first distinct step in the Tsana project. The next and second step is completion of an agreement by the British to take the water on terms to be specified. The third and last step will be negotiation of the construction contract between the Ethiopian Government and the White organization. In either the

second

second or third steps may be included the financial arrangements indispensably on a basis which will respect Ethiopian pride and sovereignty and still place receipts and disbursements sufficiently under your control for efficient refunding and operation of the project.

Mr. Lardner's first move here was the excellent one of proposing a preliminary construction contract with the Ethiopians. We did not believe they would seriously consider that until arrangement had been made with the British. But we thought it strategic to elicit their definite refusal of such a preliminary contract. We did so. The main Ethiopian argument was that they had intimation from the British that the water agreement was a necessary basis for negotiation of the construction contract. This seemed reasonable and as the Ethiopians were firm Mr. Lardner could only take the alternate step of obtaining some such commitment as is contained in the letter today signed and sealed by the King. Negotiation of a preliminary construction contract, even had the Ethiopians been willing, would have been lost motion to a certain extent as all the ground will again have to be covered when we shall have reached the third step above indicated.

Mr. Lardner has, in my opinion, obtained all that is possible here for the present. Knowing the Ethiopian disinclination for definite commitment of any sort in preliminary negotiations I feel that Mr. Lardner has been quite successful in obtaining this letter. It has required great and good natured patience and considerable acumen on his part.

This is, I believe, the first instance in Ethiopian relations with foreign concessionaires where one of the latter has obtained any definite commitment without the preliminary outlay of considerable sums of money to induce Ethiopian interest. I would not recommend such outlay, nor do I think such outlays have been justified in the past, but most of the foreign interests which have sought concessions from the Ethiopians have been of the sort which hoped to obtain something here sufficiently attractive to

enable

enable them to sell outright at fat profit or to promote a stock company with possibilities of gain whether or not the project concerned ever got started. In other words the great majority of concessionaires operating heretofore in Ethiopia have been either of the adventurer or of the broker type. They have established the procedure of financial approach to the Ethiopians and the latter have naturally found it attractive to sell, so to speak, a "pig in a poke." After some years of effort, covering the time since my first visit to this country in 1917, I believe I have convinced Tafari that Americans do not do business on such bases. At any rate he shows some inclination to believe that we do not.

Mr. Lardner has had both the substance and the psychology of this situation to overcome and has, in my opinion, made an excellent start. This first step I believe has been the most difficult. Should the British Government prove willing to approach the Ethiopians with proposals for the water considerable immediate progress may be possible. Mr. Lardner has been able to have the King's letter include provision for the participation of a White organization representative in the negotiations with the British and that perhaps makes it possible for you to exert direct and appropriate effort in speeding them up.

We have also the situation that the King has never yet made up his mind that he actually wants a dam built. In a way typical of the Ethiopians he used Doctor Martin's visit to uncover, if possible, suspected British designs and intentions in the Tsana and related matters. By instruction of the Department of State this Legation pressed the King for a conference which finally resulted in his asking me to telegraph for your representative. I am of the opinion that he did that mainly to obtain relief from my importunities, aided and abetted in the end by those of the British Minister. It is unlikely that the King has had in mind what he would do or say when Mr. Lardner actually arrived. This has all had to be worked out during the period of Mr. Lardner's visit.

You

You may perhaps wonder why I did not add this comment to my telegram inviting Mr. Lardner's visit. I had already given to the Department of State my opinion as to King Tafari's state of mind and it did not seem to me necessary to make further comment along the same lines as I believed the arranged visit by your representative was advisable and essential in any event to inspire such action as might be possible. Action on the part of the King has actually been forthcoming in the form of the letter addressed to you. So the matter has worked out according to my conjecture, without the usual extravagant financial expenditure practiced by various other concessionaires who could, if required, be named and listed by the Legation.

As you well know the Ethiopians are very suspicious in their relations with the British. They are convinced that it would be expensive to their interests, and poor strategy, to make direct approach to the British in the matter of a water agreement. They insist that the British must approach them. Their feeling in these respects amounts practically to an obsession. That is why Mr. Lardner has had to be content with the form of the letter addressed to you, which is as definite in expression as the poverty, and at the same time circumlocution, of Amharic permits. In this latter connection it may be appropriate to remark for your information that the style and expression of the letter is not as full and explicit as would be a similar letter written originally in English. Amharic is a poor language compared with English and affords little explicitness or elasticity of expression. Amharic is peculiarly adapted, although not necessarily with intention, to that use attributed in popular opinion at least to the language of diplomacy where the words indicate a meaning not always intended by the thought back of them. The meaning of this letter from Amharic viewpoint has, however, been made fairly definite to us by the King's oral discussion. Mr. Lardner will give you much interesting and illuminating details as to the vagaries and difficulties attending translation of Amharic into English and vice versa.

We

We tried to have the King consent to the approach of the British by J. G. White and Company, Incorporated. Such procedure, His Majesty opined, would be just as poor strategy as if the Ethiopian Government made direct approach. We did not think such interpretation could be entirely accurate and so informed the King. However, the King had in this respect an idee fixe, which it would have been tactless for us to oppose. There was also in the King's mind a very strong idea that the prestige of Ethiopian sovereignty would be better served by manoeuvering so that the British Government would make the first proposals. With this we had to be satisfied.

I have gone into this in some detail with the thought that you may find a way to hasten the British proposals now that you are in a position, on the basis of the King's letter and his oral assurances to Mr. Lardner, to impress the British that the Ethiopians are receptive.

For any one not experienced in this country it is most difficult to understand and follow patiently Ethiopian methods and thought processes. Mr. Lardner has acquired not a little understanding of them and will be able to tell you what I need not here write on the subject. I believe that substantial accomplishments are as much as possible here as elsewhere in the world if one is willing to spend the necessarily extra time and patience. Oriental methods prevail here, but with a peculiar African twist to make them a bit more difficult from Occidental viewpoint at least.

In summary I wish to record again the opinion that Mr. Lardner, or any one in his place, could not at this time have possibly accomplished more than the letter which he brings to you from the King. If it proves sufficient, as I believe it may, to bring about the Anglo-Ethiopian conference so long desired, and to which your organization will be party, Mr. Lardner has been fully successful. At least there is nothing more for him to attempt or accomplish here until the British attitude is developed to Ethiopian satisfaction.

I

I am, dear Mr. Dunn,

Very truly yours,

ADDISON E. SOUTHARD.

File 860.
AES/sid.

J13

July 19, 1929.

Dear Mr. Dunn:

Here is the letter from Mr. Southard concerning which we have been talking over the telephone. The underlining in pencil is my doing.

Very sincerely yours,

S. Howard Shaw

Enclosure:
Letter from Mr. Southard,
dated June 20, 1929.

A true copy of
the
inal

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Gird
MK SHS/GC

July 19, 1929.

949.488
P - Hana Dam / 95

PREPARING OFFICE
WILL INDICATE WHETHER
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TELEGRAM SENT

Department of State

TO BE TRANSMITTED
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NONCONFIDENTIAL CODE
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Washington,

J.G.White Engineering Corp.,
43 Exchange Place,
New York City.

(Check for sent to Cable Desk)

This cable was sent in confidential code. It should be carefully guarded against being communicated to anyone.

No distribution

July 17, 1929

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald I. Heinz, Archivist
Date 9-21-99

AMLEGATION

ADDIS ABABA (ETHIOPIA)

In view of presence of Sudan officials in England British Government have invited Dunn to preliminary conference in London. Fearing to arouse Ethiopian susceptibilities Dunn has declined. British Embassy now suggest to Dunn that you be requested in his behalf to sound out King Taffari as to when he proposes to inform British Legation about the conference he intends to call and ~~to~~ designate his delegate. Before making ~~any~~ this request Dunn would be glad to learn your views as to propriety and expediency of your making such inquiries. Please telegraph your reply to Department.

Stimson

NE GHS/LVD

ER
FDW
July 17 1929 2 PM

Enciphered by..

Sent by operator *M.*, , *19*..

GOVERNMENT PRINTING OFFICE 1—188

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

June 23rd, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

~~STRICTLY CONFIDENTIAL.~~

DEPARTMENT OF STATE
JUL 26 1929
DIVISION OF
NEAR EASTERN AFFAIRS

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JUL 26 1929

INDEX BUREAU

8846461 Tsana

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 211 of June 21st, 1929, on the subject of the conclusion of the present preliminary Tsana negotiations between J. G. White and Company, Incorporated, and the Ethiopian Government, and to add the following additional comment which is inspired mainly by a telegram received today by the White Company's representative from Mr. Gano Dunn and shown to me by instruction of the latter.

A copy of the telegram is attached hereto in order better to indicate the line of the following comment.

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APR 3 1931

ment. As it also mentions Mr. Dunn's intention of full discussion with the Department the comment herein is deemed all the more appropriate.

Mr. Dunn's telegram indicates disappointment that his representative here, Mr. Henry A. Lardner, has not obtained a concession for the Tsana dam. The Legation's understanding has always been that the relation of the White organization to the Ethiopian Government in the Tsana matter would be that of a contractor employed (1) to arrange for the financing, and (2) to undertake the actual construction and perhaps operation of the dam. Our understanding in this respect is based mainly upon our interpretation of a note received in April, 1928, by the Ethiopian Government from the British Foreign Office in which, in effect, the latter gives the assent of the British Government to the building of the dam as an Ethiopian enterprise with the J. G. White Engineering Corporation as the contractors. A letter briefly digesting this British Foreign Office note was sent to the J. G. White Engineering Corporation as enclosure with the Legation's Despatch No. 18 of April 26th, 1928.

The Ethiopian Government has, therefore, taken the attitude that it would eventually employ the White organization by contract to finance and construct the dam. The Legation has always assumed that the J. G. White Corporation fully understood this,

this, although Mr. Dunn's telegram of June 20th, 1929, above referred to, would seem to indicate that such is not the circumstance. However, the role which the Ethiopians expect the White organization to take is that of a contractor to arrange financing and carry out the construction and, according to contemplated arrangements, to take care of the operation of the dam over a period of years. Should the White organization not find such position attractive as a basis for negotiation the Legation is strongly inclined to the opinion that it will not be able to participate in the proposed development. The Ethiopian Government has taken the definite stand that the Tsana dam water control will be a government project and not a private one farmed out to private enterprise. In the opinion of the Legation there is scarcely a remote possibility of being able to move the Ethiopians from that stand.

In this connection there should perhaps be reiteration of the emphasized references made in various former despatches as to the comparatively extreme Ethiopian sensitiveness to any activity directly or indirectly reflecting upon their sovereignty. Their feeling in this sense is abnormally acute. Such attitude, supported in part by fear of really tangible political aggression, has caused the Ethiopians all

these

these years to hold off even negotiation with the British in the matter of Tsana. While they are willing to employ the White organization in financing and constructing the projected dam they are naturally not going to give an all-inclusive concession which in their conception might be used to shut them off completely from participation in the control of the construction and operation of the dam. The Ethiopians are unbelievably suspicious and cautious. Our purpose is to overcome that suspicion and cautiousness very gradually. The completion by the White organization of its arrangements can only be done accordingly, and particular care is required at first until the Ethiopians are convinced as to the inaccuracy of the locally whispered charges as to the highly Anglophile character of the American company. One definite step towards completion of the White arrangements has been made by procuring King Tafari's letter to Mr. Dunn. It is quite as far a step as can at this time be made in view of Ethiopian susceptibilities. With development of the second and third steps of the plan, detailed in the Legation's No. 211, confidence will progressively flourish.

Mr. Dunn's telegram further informs Mr. Lardner that the British cannot sign a contract to take water without knowing the construction costs. While the Legation knows nothing of the matter from a technical

viewpoint

viewpoint it has closely studied possibilities from the business and practical politico-economic viewpoint, and does not see how the Ethiopians can decide the probable size, nature and cost of the dam construction until they are assured by the British at least approximately as to how, when and where, and to what amount, the water will be taken. The Ethiopians have no such assurance, or so they say, and can take no steps leading to a definite construction contract until they know that it will be possible to rent or sell the water and thus procure money to pay for the work. Also how could any organization undertake financing the project, or construction plans, until it has some assurance as to the possibility of obtaining income of sufficient volume to permit efficient refunding and payment of expense of operation?

The Ethiopian Government itself is not financially able to build the dam and does not wish to undertake any such commitment until it has learned definitely that the dam will produce income to make the financing possible. Only by conference and agreement with the British can the Ethiopians, and the White organization, learn enough about the probable income to warrant proceeding with the construction and financing plans and contract. Accordingly the Ethiopians are insisting upon a conference with the

British

British preliminary to entering into construction and financing arrangements with the White organization. In their peculiarly difficult sort of national pride the Ethiopians wish the British first to propose such conference and have agreed to undertake to intimate to the British their receptivity to proposals. King Tafari has informed Mr. Dunn of this in the letter of June 21st, 1929, of which copies were enclosed with the Legation's No. 211 of the same date, and the King has further elaborated his desire and intention by definite oral statements to Mr. Lardner and the writer.

As to this conference with the British the latter have themselves been working unsuccessfully for about twenty seven years to bring it to an issue. And now the White representative, assisted very importantly by the Legation of course, has opened the way for such conference. Further progress in the whole Tsana matter is obviously therefore up to the British. The next step is for them to take, and if they are as anxious to arrange the water matter as has been represented they should find it quite convenient to fall in with the arrangement contemplated by King Tafari's recent letter to Mr. Dunn. If they are not the White organization might as well abandon hope of further progress at this time.

There

There is the further suggestion in Mr. Dunn's telegram that the "defeat of the concession" is due to the local British Legation. In the first place there was never any possibility of the issuance of a <u>concession</u> at this time and therefore none to defeat; and in the second place there has been the closest and most helpful relations between this Legation, Mr. Lardner, and the British Legation, throughout the negotiations just closed. The local British representative has not directly participated in the negotiations with the Ethiopians as the latter had previously indicated to this Legation their decided bias against such participation. Nevertheless on the basis that the White organization would eventually have to do business with the British we have in friendly manner kept their Chargé d'Affaires in Addis Ababa fully informed as to the progress of our negotiations with the Ethiopians.

When Mr. Lardner originally came to Addis Ababa he had a somewhat rambling form of concession which he wished to present to the Ethiopians. The Legation was certain that the Ethiopians neither could nor would sign a <u>concession</u>, but saw no harm in letting the White representative open negotiations by presenting the matter in that form. Such seemed as good a way as any to develop the discussions which would eventually end, according to the writer's long

experience

experience in this country, with some sort of an agreement in other form. The Ethiopians toyed with the concession proposal, as is their wont, while getting around to the point of refusing in somewhat tactfully evasive manner to sign it. They even went so far as to suggest revision of certain articles of Mr. Lardner's proposed concession. This led him astray and motivated him in sending an unduly optimistic telegram to Mr. Dunn, against the mild but nevertheless serious advice of the Legation. This telegram undoubtedly misled Mr. Dunn into expecting a concession and resulted in his belief, just indicated by telegram, that Mr. Lardner's mission here has resulted in defeat. Mr. Lardner now doubtless realizes his mistake in sending to Mr. Dunn the telegram indicating the imminence of the signature of a <u>concession.</u> The Legation cannot politely address to him the "I told you so" remark and is only assuming, therefore, that he realizes the situation. The despatch of his telegram to Mr. Dunn was, however, a most natural act and one thoroughly sanctioned by his business experience in the <u>Occidental</u> world. Mr. Lardner does not, of course, know Oriental methods which the Ethiopians have developed with many a fancy twist. He now knows a lot more about them. The Department may perhaps note that

the

the Legation sent no messages as to definite progress in the negotiations until its telegram of June 21st, 1929, which was based upon a fait accompli.

Mr. Lardner in his work here was handicapped by lack of previous experience of the very special kind essential, which is obtainable only in the country. The Legation endeavored to supply that experience and on the whole Mr. Lardner cordially accepted the great majority of our suggestions and proved himself quite adaptable. His failure invariably to follow our advice was natural, and we could not well press our advice on a man of such comparatively eminent position and matured experience in an important American business. The Legation still adheres to the opinion, expressed in letters to Mr. Dunn and in despatches to the Department, that Mr. Lardner did excellent work here. It is human to err occasionally in judgment and the sending to Mr. Dunn of the unduly optimistic and certainly misleading telegram is not unfavorably criticized but is merely referred to very confidentially for the Department's background information. This happening is also indicative of the well obscured pitfalls often found in the path of the highly trained and efficient business man who negotiates in a foreign field strange to him. We all must learn.

Mr.

Mr. Dunn's telegram contains the inference that Mr. Lardner's departure (originally scheduled for today) is "public evidence of disapproval." This quite erroneous inference by Mr. Dunn is also possibly due to Mr. Lardner's failure to be sufficiently explicit and clear in his telegrams reporting progress. The Ethiopians are very, very slow to move. One way often practiced by the local Legations to hurry up action is to represent that the visitor must for important reasons leave Addis Ababa on a certain date. This Legation set Mr. Lardner's departure for June 23rd, two months after his arrival. The letter to Mr. Dunn was signed by the King on June 21st! Had we not set a date when Mr. Lardner must depart the King very likely would not have considered signing the letter before July 21st, or even before August 21st. In the meantime Mr. Lardner would have been here twiddling his thumbs, so to speak, and the Legation would have been unable to return to its normal duties. After having successfully used our pressing-date-of-departure method for obtaining reasonably prompt attention to Mr. Lardner's business it was necessary that he promptly leave upon its completion. The climax of successful negotiation in getting the letter signed would have been appropriately capped by Mr. Lardner's departure today for the coast. Mr. Dunn's telegram has made it necessary that he delay

his

his departure, somewhat to the embarassment of the Legation. We now have a situation a bit in the nature of an anti-climax which from a psychological viewpoint at least is not particularly beneficial either for the Legation or for the White organization in its relations with the Ethiopian Government.

The King in giving to Mr. Lardner the signed letter to Mr. Dunn has definitely and finally closed the negotiations until there shall have been a conference with the British, which the letter contemplates. It would be most tactless for either the Legation or Mr. Lardner to attempt to reopen the matter which in the King's opinion represents unusually generous concessions by him. This is the first time, so far as I am able to learn, that the Ethiopian Government has ever given anything as important without substantial cash inducements to do so.

As outlined in the Legation's No. 211 of June 21st, 1929, and in previous despatches, there exist still many difficulties to overcome in bringing to a successful conclusion the Tsana Dam negotiations. However, the letter being carried by Mr. Lardner to Mr. Dunn from King Tafari, is firmly believed by the Legation to be a distinct step in progress and one well worth the visit here of the White representative. The matter has been very frankly discussed with

certain

certain responsible members of the local British Legation, including the Chargé d'Affaires, and they all agree from their very full Ethiopian experiences that Mr. Lardner's negotiations have ended quite as successfully as the peculiarities of local conditions permit and more successfully than they expected. The effect of the letter written by King Tafari will be to minimize for the future many of the difficulties existing until recently. The letter is a distinct accomplishment should the White organization wish to proceed on the basis of the relations which have been obvious to the Legation but which have perhaps not heretofore been fully understood in New York. The Legation has tried, but perhaps not with complete success, to make the situation clear by means of its many despatches over the past sixteen months.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies
Received

1 Enclosure.

Enclosure to Despatch No. 212 of June 23rd, 1929, from Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia.

Copy of a telegram received by Mr. Henry A. Lardner, Addis Ababa, from Mr. Gano Dunn, New York City.

10/49 New York, June 20th, 1929.

Cables 21 and 23 received June 20th. We understand cable but do not understand plan proposed. Seems to involve no financing by us and no concession to us and contemplates solely status of construction contractors. We consider our prospects for securing such contract not attractive. We infer your proposed departure is public evidence of disapproval. Do you think defeat of the concession caused secretly by British through misunderstanding their local representative? We have confidence in good faith their Foreign Office and hope London conference can bring back to old basis. British cannot sign contract take water without knowing construction costs.

I will personally participate in London conference. I am taking train tonight Washington for appointment Ambassador June 21st, and full discussion State Department. Will cable results June 21st. Show this Addison E. Southard. Cable your opinion.

Gano Dunn.

Cable to Addis Ababa 7/31/29

TELEGRAM RECEIVED

DEPARTMENT OF STATE
JUL 29 1929
DIVISION OF NEAR EASTERN AFFAIRS

JS This telegram must be closely paraphrased before being communicated to anyone.

CLASSIFICATION CANCELLED
Authority: letter 1-8456
W. H. Anderson, State Dept.
By Ronald L. Heiss, Archivist
Date 9-21-59

FROM Index Bureau RECEIVED JUL 30 1929

ADDIS ABABA

Dated July 25, 1929

Rec'd 27th 6:35 p.m.

Secretary of State,
Dept. of State
Washington, D.C.

20, July 25, 11 a.m.

884.6461-Trans Dan/95

Department's telegram 32, July 17, 5 p.m. just received. It is my opinion that if the London preliminary conference is kept strictly confidential Dunn should go. Ethiopians must not be permitted to know of it. It will afford excellent opportunity to strengthen Anglo-American solidarity in the future conference with Ethiopians. I have several times taken up with the King his notification of the British He leads me to expect action within a few weeks. It would not be tactful further to press him at this particular time. My British colleague concurs in all the foregoing.

CSB

SOUTHARD

INDEX BUREAU
884.6461-Trans Dan/97
FILED
AUG 1 1929

Skelton sent to BA for file see 10/4/29

RECD
INDEX BUREAU
DEPT. OF STATE
JUL 28 29

NE
File

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

June 30th, 1929.

INDEX BUREAU
884.6461-Tsana Dam/98

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

No. 217.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 212/ of June 23rd, 1929, on the general subject of the Tsana Dam negotiations recently completed with the Ethiopian Government by Vice President Henry A. Lardner of the J. G. White Engineering Corporation of New York City.

The Legation has already commented at length on what it considers the success of Mr. Lardner's negotiations and supplements such comment by the following further observations.

Sir

Confidential File.
FILED
APR 3 1931 E

NE
4-3-31

Sir Sidney Barton, the recently arrived British Minister, called yesterday at this Legation to discuss certain telegrams received by him from London which indicated that the British Foreign Office had been influenced from Washington to somewhat the same unfortunate misunderstanding suggested in Mr. Gano Dunn's telegram of June 20th, 1929, to Mr. Lardner, of which a copy was included with the Legation's No. 212 above mentioned. My newly installed British colleague had arrived independently of this Legation at exactly our reaction that Mr. Dunn misunderstood the situation here whereas he should, with the British Foreign Office, have been very happy over Mr. Lardner's accomplishment. Sir Sidney had reached his opinion mainly upon advice of experienced members of his staff and of other informed people. As we are of the same opinion, he being more enthusiastic than I if any difference could be noted, we have entered into a cordial agreement to press the King to carry out the terms of his letter to Mr. Dunn. There is no doubt but that His Majesty will adhere to his letter but to get him to follow up without undue delay is the problem which now faces the British and American Legations. The Department has many times previously been informed in my despatches of the peculiar disregard of the Ethiopians for the passage of time.

Although

Although it was inadvisable to have direct British participation in Mr. Lardner's negotiations the situation has now been cleared for such participation along the lines suggested in the preceding paragraph. My British colleague has a letter, written long ago by King Tafari to the British Government in reply to former proposals, in which the King expresses his intention to proceed to negotiation with the White organization and promptly upon conclusion thereof to notify the British Government. Sir Sidney will, after elapse of appropriate time, indicate tactfully to the King that as everyone here knows the negotiations with the White organization have been successfully concluded it would seem fitting that His Majesty write the promised letter to the British. This seems a quite reasonable and appropriate line of activity for Sir Sidney to pursue. This Legation will in the meantime use its favored position with the King and his Minister of Foreign Affairs to press for the same action, but on the basis of the King's letter now being carried by Mr. Lardner to Mr. Dunn.

We may get action in six weeks; we may get it not before six months; and we may get it earlier or later than either period. No one can prophesy accurately in such matters because of the local peculiar disregard of time. At any rate as the matter advances

step

step by step the time element can be more efficiently handled. All appropriate effort will be made.

The Department is already informed from various previous despatches of the Legation's conviction that both the Italian and German Legations here would not have been sad had Mr. Lardner's negotiations failed. The Department will be further interested that Mr. Lardner's accomplishment, while not known to them in detail, appears to have produced in these particular interests practically a volte face. This is indicated by their congratulations to Mr. Lardner and this Legation which from my own close acquaintance with them may reasonably be interpreted as sincere. They hope, of course, to benefit in some way should the White organization proceed with the financing and construction of the dam. Perhaps they can find employment for skilled labor, as the Italians hope, or sale for equipment and machinery which seems to be the main German hope. At any rate they appear now disposed to play the game, much to our comfort and satisfaction.

Should we slip up in any way in our further negotiations it is unlikely that these particular national interests would forego any advantage likely thus to accrue to them. However, so long as our present

favorable

favorable status can be maintained we may hope for possible help from them in the maintenance of at least a neutral attitude. This Legation has heretofore had the whole official burden of the negotiations to bear, but there is now possibility that we can use some direct assistance from the local British Legation as has already been suggested in this despatch.

The entire matter of the Tsana Dam project has for the time at least taken on a comparatively roseate hue from our viewpoint, and while the Legation recognizes that there is many a slip 'twixt cup and lip it is at present inclined to at least a mild optimism.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received

2 carbons destroyed 4-3-31 JL

RECD

INDEX BUREAU
DEPT. OF STATE

JUL 29 29

AE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

July 1st, 1929.

DEPARTMENT OF STATE
JUL 30 1929
DIVISION OF
NEAR EASTERN AFFAIRS

884.6461-Tsana Dam/99

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-21-59

FOR DISTRIBUTION - CHECK
To [illegible]
In U. S. A.

	Yes	No

No. 218.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor, in continuation of the Legation's No. 217 of June 30th, 1929, to state that the local and recently installed Egyptian Consul has shown great interest in the Tsana dam negotiations conducted by Mr. Lardner on behalf of J. G. White and Company, Incorporated.

Doctor Moussa, the Consul, has informed me that his government has a very live interest in the progress of the White Company's negotiations for which it hopes the most complete success. While Doctor Moussa has made no definite

FILED
APR 3 1931
INDEX BUREAU

DONE
4-3-31 W.

definite statements to me to the effect I have from his conversations a strong impression that the Egyptian Government would be inclined to support the White Company in its desire to undertake the construction of the Blue Nile Dam. Whether he has made any representations to the Ethiopian Government I know not, but I suspect that if a favorable opportunity offered he would do so. I have the impression that he has sought indirectly to draw from me an opinion, or even a request, in the matter of such assistance. Up to date we have required no assistance in our negotiations, and to enlist any assistance from other national representation here might at this time lead to the development of undesired Ethiopian suspicion.

The above is not of great importance in itself but is perhaps worthy of record for the use it may have in estimating possible future developments in the Tsana negotiations.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4
711.87
Kw

PREPARING OFFICE
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PLAIN

Department of State

Washington,

Gano Dunn, President,
J.G.White Engineering Corp.,
43 Exchange Place,
New York City.

July 26, 1929

JUL 26 29
JUL 26 29

AMLEGATION

ADDIS ABABA (ETHIOPIA)

34 Department has received no reply to its 32, July 17, 5 p.m.

Stimson.

NE GHS/LVD

CR
July 26 1928 P.M.

Enciphered by

Sent by operator ..... *M.*, ..., *19*...., ...

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 3—1928

6461 - Juan Dam / 98

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Department of State

Gano Dunn, President,
J.G.White Engineering Corp.,
43 Exchange Place,
New York City.

Washington,

July 27, 1929

Skeleton sent to BA for delivery see

No distribution

AMLEGATION

ADDIS ABABA (ETHIOPIA)

35

Following for you from Lardner. QUOTE. Arrived New York 26th. Well and kindest remembrances to you, Mrs. Southard and Pat. Situation understood and cordially received this office who join me in appreciation your efforts our behalf. I found Mr. Dunn has decided inadvisability preliminary conference suggested British Embassy, Washington, which position I thoroughly agree correct until King acts and know you will do all you can diplomatically to bring this about. ENDQUOTE.

Sent. 7

NE GHS/LVD

Stimson

Secs.

JUL 27 1929

TELEGRAPH OFFICE INDIANAPOLIS

Enciphered by ....

Sent by operator ..... *M.*, ..., *19*..

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—186

811.6461-Trans Dunn/1918

TELEGRAM RECEIVED

EC

Gray

Addis Ababa

JUL 31 1929

Index Bureau FROM
RECEIVED

JUL 31 1929

Dated July 29, 1929

Received 30th 5:30 PM

Dept. of State

Secretary of State,

Washington.

DEPARTMENT OF STATE
JUL 31 1929
DIVISION OF
NEAR EASTERN AFFAIRS

21 July 29, 5 P.M.

Referring to Department's telegram of July 26, 7 P.M.

I received July 25th the Department's number 32 of July 17, 5 p.m. and replied on the same day. Supplementing my July 26, 11 a.m. I have reason to think that the King will notify the British this week. I will telegraph as soon as he does.

SOUTHARD

CSB

FILED

AUG 1 1929 G

884.6461-Trans Jord/100

Skelton sent to BA for billing 1st Dec

OFFICE
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~~PLAIN~~

Department of State

Charge to J. G. White Engineering Corporation,
$ 43 Exchange Place,
New York ~~City~~.

Washington,

July 31, 1929.

This cable was sent in confidential Code.
It should be carefully preserved before
being communicated to anyone.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald I. Heisel, Archivist
Date 9-21-59

AMLEGATION

ADDIS ABABA (ETHIOPIA)

36

Your telegrams Nos. 20 and 21 have been shown to and discussed with Dunn and Lardner. They believe that in view of practical impossibility of maintaining secrecy decision not to attend preliminary conference is still sound. They are confirmed in this view by statement in your 21 that you have reason to think King will notify British shortly. Dunn will call upon British Ambassador today and will express appreciation of cordial cooperation and understanding received by Lardner from Dunbar and from Sir Sidney Barton after his arrival. Dunn has received your personal letters of June 20 and July 1. Significance and importance of King's letter ~~is~~ are now fully understood and appreciated.

GHS

Stimson

GHS

NE GHS/GC

No distribution

884.6461 Tsana Dam/

CR

July 31, 1929 PM

Enciphered by.....

Sent by operator.....*M.*, ..., *19*...., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—138

884.6461-Tsana Dam/100

SUBJECT

Water Power --- Ethiopia.

Construction of the Lake Tsana Dam.

DATE

8-8-29 --- 1-20-30

CASE NUMBER

884.6461-TSANA DAM

JACKET NO. 4

1017 140

Please do not disarrange or remove papers from this jacket or deface jacket with office stamp or notations.

TELEGRAM RECEIVED

Letter to White Conf. 8/9/29 HS

n

FROM

ADDIS ABABA

August 9, 1929.

This telegram must be closely paraphrased before being communicated to anyone.

Index Bureau
RECEIVED

Dated Aug. 8, 1929

Rec'd. 9.35 a.m. 9th

Secretary of State,

AUG - 9 1929

DEPARTMENT OF STATE
Jules
AUG 9 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Washington

Dept. of State

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist
Date 9-22-59

23, August 8, 11 a.m.

The King definitely promises me to initiate Tsana discussion with the British Legation today or tomorrow and I am now informed by the British Minister that he is called for an audience on the subject at the Palace this afternoon.

Telephoned to Mr. Dunn's Office. 8/8/29. SIS.

SOUTHARD

HPD

FILED

AUG 9 - 1929

D

INDEX BUREAU

884.6161-Tsana Dam/101

August 9, 1929.

884.6461-Tsana Dam/101

Dear Mr. Dunn:

Confirming the telephone conversation which I have just had with your secretary, we have received from Mr. Southard a telegram, dated August 8, in which he says that he has been informed by the British Minister that he (the British Minister) has been called to the Palace for an audience of the King on the subject of the Lake Tsana negotiations this afternoon. Mr. Southard also states that the King definitely promised him to start the Lake Tsana negotiations with the British Legation today or tomorrow.

I am glad to be able to pass on to you such good news.

Very sincerely yours,

G. Howland Shaw

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

NE GHS/GC

884.6461-Tsana Dam/101 August [illegible]

A true copy of the signed original.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-22-59

TELEGRAM RECEIVED

Letter to White Co. 8-1-29 SMS-SC

CW
This telegram must be closely paraphrased before being communicated to anyone.

FROM

Addis Ababa
August 12, 1929

Dated August 9, 1929

Received 4:42 p.m.
10th

Index Bureau
RECEIVED
AUG 12 1929
Dept. of State

DEPARTMENT OF STATE
AUG 9 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Secretary of State

Washington

24, August 9, 5 p.m.

The King yesterday afternoon discussed Tsana with the British Minister. His Majesty stated that he could proceed no further with the White Company until he knew how much water the British wanted and what they would pay for it. In my opinion the King knows that these two questions can not be answered without a full conference of the parties concerned and has asked them as his own peculiar way of giving the British an opening for proposal of the general conference for which we have been striving. My colleague informs me that he has cabled the questions to London with recommendations for proposal of a conference. He also informs me that if a conference is held the King is now inclined to insist that it be at this capital. In my opinion this is not objectionable as

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AUG 2 1929 G

DEPARTMENT OF STATE
INDEX BUREAU
711.4, 6461 - Tsana Dam/102

TELEGRAM RECEIVED

From Addis Ababa, #24

FROM

as, if the general conference is successful, the White representative may while on the ground proceed at once to negotiate construction contract.

SOUTHARD

GW

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisl, Archivist
Date 9-22-59

884.6461
1-Tsana Dam/102

August 12, 1929.

Dear Mr. Dunn:

I enclose herewith a complete paraphrase of an important telegram which we have just received from our Legation at Addis.

Sincerely yours,

H. Howland Shaw

Enclosure:
Paraphrase of
Telegram No. 24,
August 9, 5 p.m.
from Addis Ababa.

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

HE GHS/GC

August [illegible] 1929

A true copy of the signed original.

884.6461 - Tsana Dam/102

PARAPHRASE OF TELEGRAM

FROM AMERICAN LEGATION AT ADDIS ABABA

DATED AUGUST 9th.

Yesterday afternoon the King discussed with the British Minister the Tsana matter. It was stated by His Majesty that until he knew how much water the British wanted and what they would pay for it he could proceed no further with the White Company. It is my opinion that the King knows that it is impossible to answer these two questions without a full conference of the parties concerned. He has therefore asked these questions as his own peculiar way of affording to the British an opening for the proposal of the general conference which we have been striving for. The British Minister tells me that he has cabled the questions to London and that he has recommended that a conference be proposed. The British Minister also tells me that the King is now inclined to insist that a conference, if held, be convened at Addis Ababa. This in my judgment is not objectionable, for if success attends the efforts of the general conference the representative of the White Company will then be in a position while on the ground to proceed immediately with the negotiation of a contract for construction work.

PREPARING OFFICE
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PLAIN

Department of State

Washington,

J. G. White Engr. Corporation,
43 Exchange Place,
New York City.

August 20, 1929.

AMLEGATION

ADDIS ABABA (ETHIOPIA)

40

Your 24, August 9, 5 p. m.

White Engineering Corporation appreciate your efforts and will be interested in learning attitude of British and further developments.

Stimson

NE GHS/GC

No distribution

August 20, 1929

OK

Enciphered by

Sent by operator M.,

Index Bu.—No. 50

GOVERNMENT PRINTING OFFICE 1—1288

811.4488 Trans Dam/102

N.E.

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

July 19th, 1929.

AUG 2 0 29

DEPARTMENT OF STATE
AUG 21 1929
DIVISION OF
NEAR EASTERN AFFAIRS

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CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date

FOR DISTRIBUTION - CHECK

	Yes	No
To the Field		
In U. S. A.		

No. 227.

The Honorable

The Secretary of State,

Washington.

Sir:

884.6461 - Tsana Dam/95

I have the honor to refer to the Legation's No. 211 of June 21st, 1929, forwarding, with comment, copy of the letter addressed by His Majesty, King Tafari, to Mr. Gano Dunn of the White Engineering Corporation on the subject of the Tsana Dam.

In that letter the King undertakes to notify the British Government of his arrangement with the White Corporation; it having been understood in the oral discussions that such notification would be in a form to permit the British Government to propose a conference in which the British, Ethiopians, and a representative

of

INDEX BUREAU

FILED
APR 3 1931

of the White organization would participate. As has been frequently explained in the Legation's despatches the Ethiopians place little value on time and after having engaged to do a thing frequently let a considerable period elapse before actually moving definitely to its accomplishment.

With this in mind the Legation has been exerting gentle and tactful pressure to bring the King to the issuance of the indicated notice to the British Government. I have now to report that at my last audience he agreed definitely within the next ten days to inform the Legation as to how and when his action of notification to the British would take place. Making again allowances for the typical Ethiopian disregard of the passage of time the King may not inform the Legation before twenty or thirty days. I am, however, making this report in order that the Department, and the White Corporation if appropriate, may be informed that the Legation is using in this matter all the pressure which seems tactful. Activities of the sort must conform to Ethiopian temperament and inclination to procrastination, which seem as unchangeable as the proverbial leopard's spots.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

ADDISON E. SOUTHARD.

4 Carbon Copies
Received A.H.C.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-22-59

AUG 23 29

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

July 20th, 1929.

DEPARTMENT OF STATE
AUG 21 1929
DIVISION OF
NEAR EASTERN AFFAIRS

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-22-59

FOR DISTRIBUTION - CHECK

	Yes	No
To the Field		
In U. S. A		

No. 228.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 227 of July 19th, 1929, on the subject of the pressure being brought to bear on King Tafari to bring about promptly his notification to the British of the arrangement with the White Corporation in connection with the Lake Tsana Dam.

Today, in discussing the general subject with my British colleague, I learn his impression that there exists at least a tentative arrangement for President Gano Dunn of the White Corporation to go to London for an informal conference at this time with certain British officials

884.6461 - Tsana Dam/104

FILED
APR 3 1931

officials and visiting officials of the Anglo-Egyptian Sudan. His information comes from the British Foreign Office.

The Legation has had no intimation from the United States that such conference is contemplated. Direct information of the sort would be valuable to me here in following developments, and my standing with my British colleague would be appropriately enhanced if he knew that I did not have to depend on him for "inside" information of the kind. Of course, I understand that possibly the matter has not yet reached a status in New York or Washington that the Department or the Legation could by this time have been informed.

The Legation considers that such proposed informal conference would be very helpful as preliminary to the more formal conference which we are now working to bring about with Ethiopian participation. It is probably unnecessary to suggest that news of an informal conference of the kind should not be permitted to reach the Ethiopians whose undue suspicions, sometimes active and sometimes latent but always existing, might thus be undesirably aroused.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

ADDISON E. SOUTHARD.

4 Carbon Copies
Received --N.H.C.--

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Reis, Archivist
Date 9-22-59

THE J. G. WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES

J. G. WHITE AND COMPANY, INC.

J. G. WHITE AND COMPANY, LTD., LONDON

THE J. G. WHITE ENGINEERING CORPORATION, S. EN C., MEXICO

THE ENGINEERS CORPORATION

CABLE ADDRESS

WHITENGECO, NEW YORK

A. B. C. 5TH AND 6TH

WESTERN UNION

SCOTT'S 10TH

BENTLEY'S

RECEIVED

AUG 21 19

Dept. of State

August 19, 1929.

Dept. of State — August 21, 1929.

Mr. G. Howland Shaw,
Department of State,
Washington, D.C.

DEPARTMENT OF STATE

AUG 23 1929

DIVISION OF
NEAR EASTERN AFFAIRS

Dear Mr. Shaw:

Mr. Dunn and I think that it would be desirable and courteous to cable Mr. Southard acknowledgment of his telegram, dated August 9th, and trusting this has your approval, we will again be indebted to you for sending the following from us:

> "Your cable dated August 9th received Appreciate your efforts and will be interested in learning attitude of British and further developments."

Mr. Dunn feels that it would be inadvisable for us to make suggestions regarding the conference at the present time as these might be misconstrued and any suggestions might be taken to mean more than we might intend.

Very cordially yours,

Henry A. Lardner
Vice-President.

FILED

APR 3 - 1931

August 20, 1929.

Dear Mr. Lardner:

I have received your letter of August 19th and am sending off to Mr. Southard the message which you set forth in your letter. The Department does not as a rule reply to reports which it receives from its representatives in the field unless there is need of giving instructions. However, I can't see in the present case the slightest objection to departing from our usual practice. I have omitted the first sentence of the message as given in your letter and have inserted a specific reference to the August 9th telegram.

Sincerely yours,

G Howland Shaw

Chief, Division of Near Eastern Affairs.

Mr. Henry A. Lardner,
Vice-President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

NE CHS/GC

AUG 20 1929 PM

890.6461 - Travis Davis/105-

DOCUMENT FILE

NOTE

DECIMAL FILE BUREAU
884.6113-Wabi Shebeli/106

SEE 884.6113-Wabi Shebeli/1 FOR # 226

FROM Abyssinia (Southard) DATED July 15, 1929

TO NAME

1—1127

REGARDING: reaction which the proposed interests of the Italians in an irrigation project on the Wabi Shebeli for the benefit of Somaliland will have on their attitude toward the granting of a contract to Anglo-American interests in the Tsana Dam project. They will probably not be disposed to oppose the granting to Anglo-American interests as they will be able to use such a grant as an argument in favor in procuring their own concession or contract on the Wabi Shebeli.

b

Addis Ababa,
Ethiopia.

July 15th, 1929.

No. 286.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to make the following preliminary reference to a new and possibly important Italian enterprise related to Ethiopia.

In the Legation's No. 84 of October 26th, 1928, report was made of the departure from Addis Ababa for an overland trip to Italian Somaliland of an expedition headed by the Italian Duke of the Abruzzi. This expedition has since explored the Wabi Shebeli river from its source southeast of Addis Ababa on into Italian Somaliland where the river dwindles down to the Indian Ocean.

The

The Duke's exploration party was under Italian official auspices and carried with it various official meteorologists, cartographers, etc., etc. The expedition reached Italian Somaliland in February of this year after a journey of a hundred days and fifteen hundred kilometers. A published report has been intimated. As this report has not yet reached Addis Ababa the Legation has decided not to wait longer before submitting this preliminary comment, upon which a latter and more detailed despatch may be based.

The Legation has been moved particularly to action at the present time by having just learned confidentially that the local Italian Legation has, by instruction from Rome, made tentative inquiries of the Ethiopians as to the possibility of procuring either a concession or a contract for irrigation control works along the course of the Wabi Shebeli in Ethiopia which would permit distribution and delivery of its water in Italian Somaliland for the aid of agricultural projects. The particular project in mind is the Societa Agricola Italo-Somala originated by the Duke of the Abruzzi. It is thought likely that the Ethiopians would grant a concession for the Wabi Shebeli area, which is conquered Moslem territory and not of particular sentimental interest to them, should the Italians come through with the usual financial inducements

ments for which they are alleged lately to have set a fast pace in Ethiopia.

The Wabi Shebeli is one of the most important of the few Ethiopian rivers when considered from the viewpoint of periodical volume of flow and the potentially large area subject to its waters. The source of the river has been placed in a part of the rich Province of Sidamo where rain falls practically from the middle of February until December of each year, as compared with the regular rainy season from about the middle of June until the middle of September over most of the Ethiopian plateau. This plentiful rainfall contributes to the considerable volume of water carried during most of the year by the Wabi Shebeli, but of which much is absorbed by the desert lowlands of Ethiopia and of Italian Somaliland en route to the Indian Ocean. The river flows through undeveloped and little known country and no systematic or engineering effort has ever been made to conserve and use its waters in Ethiopia. For the extensive agricultural effort on the semi-desert Italian Somaliland side, however, there could be developed great irrigation by conserving and controlling the river waters before they finally leave the Ethiopian highlands. The well known activities of the Duke of the Abruzzi in developing agriculture in the Somaliland colony have been made difficult by the lack of water; hence his very direct interest in

the

the Wabi Shebeli.

Not only would the Duke's particular projects be benefitted by control of this river but a vast area of the Somaliland coastal plain would conceivably be prepared for Italian colonization. The Legation understands that there is much available cotton land which requires only the water now wasted during the flood periods of the Wabi Shebeli.

Incidentally, Italian interest in favor of the granting of the Lake Tsana project to the White Engineering Corporation may reasonably be accelerated now that they have their own similar project in the shape of the proposed Wabi Shebeli control. Italian influence could be of no direct value in facilitating the issuance of the Tsana contract but it may be accepted that they will now have less incentive to endeavor by means particularly their own to retard Ethiopian action with reference to Tsana. As the Legation interprets local conditions the granting of the Tsana contract in Anglo-American interest would be of immediate value to the Italians as argument for the Ethiopians to take reasonably prompt action in the Wabi Shebeli project. The Italians are assumed to realize this circumstance.

This preliminary report is all that is justified by the information so far available to or procurable

by

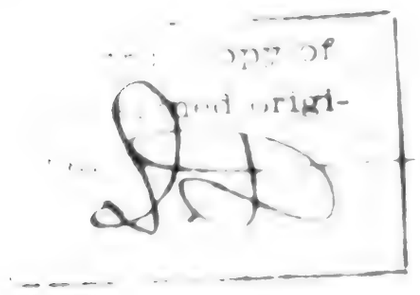
by the Legation. It is hoped that details for a more comprehensive report will develop before too long. The important point to record at this time is that the Italians are continuing here their energetic development of African colonial possibilities and have now in mind for the Wabi Shebeli what promises to be another very important and far reaching enterprise.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File 860.2/861.1.
AES/sid.



TELEGRAM RECEIVED

n

Index Bureau
RECEIVED
AUG 26 1929
Dept. of State

FROM GRAY
ADDIS ABABA
Dated Aug. 23, 1929
Rec'd. 7.42 a.m.

DEPARTMENT OF STATE
AUG 26 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Secretary of State,

Washington

26, August 23, 9 p.m.

The British Minister has been authorized to suggest the conference intimated in my telegram of August 9, 5 p.m. He had an audience yesterday afternoon and the King said he would make known his decision later which is method pf procedure. As the King is now preoccupied with preparation for the great national festival of Maskap? in September a few weeksdelay may be unavoidable. Any further information of importance will be telegraphed as soon as available.

SOUTHARD

INDEX BUREAU
FILED
AUG 29 1929

August 27, 1929.

Dear Mr. Lardner:

I enclose herewith a copy of the telegram which I telephoned to you yesterday afternoon.

Sincerely yours,

G. Howland Shaw

Enclosure:
Copy of telegram
No. 26 from Addis Ababa,
August 23, 1929.

Mr. Henry A. Lardner,
Vice President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

NE GHS/GC
884.6461 Tsana Dam/107

CR
Aug. 27 1929

884.6461 Tsana Dam/107

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

July 25th, 1929.

Exempt out to Gano Dunn in personal letter. 9/4/29 FWS

~~CONFIDENTIAL~~ CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald I. Heisler, Archivist
Date 9-22-59

DEPARTMENT OF STATE
FWS
AUG 27 1929
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - CFSS Yes No
To
Info

AM RECD BUREAU OF INDEX AUG 29 33 DEPARTMENT OF STATE

No. 229.

1:45
2:10

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to confirm the Legation's telegraphic despatch of this date expressing the opinion, in reply to the Department's telegraphic instruction of July 17th, 5:00 P.M., 1929, that it would be advisable for President Gano Dunn of the J. G. White Engineering Corporation to attend an informal conference on the Lake Tsana Dam project proposed to be held in London at this time.

The views of the Legation on the general subject had already been given in Despatch No. 228 of July 20th,

NIE
INDEX BUREAU
884.6461 - Tsana dam/108
FILED
APR 3 1931

20th, 1929, which was written after the start of the Department's telegram of July 17th, 1929, 195a but four days before that telegram reached Addis Ababa. There has lately been considerable delay in telegrams to and from Addis Ababa. The telegraphic despatch hereby confirmed was accepted today for transmission subject to possible delay because of breakages in the line between here and Asmara, via which place messages are routed out through the Sudan and thence via Mediterranean.

As indicated in the Legation's No. 227 103 of July 19th, 1929, tactful pressure has been from time to time been brought on the King to get him to hasten his action in notifying the British Government of his arrangement with the White Corporation. Further immediate pressure is not tactful as His Majesty informed me on the occasion of our last interview a few days ago that he would have some definite information for me within ten days. This period, according to Ethiopian manner, may be stretched into twenty or even thirty days. The King was not, therefore, interviewed again immediately before sending the telegram hereby confirmed. Nothing additional could have been accomplished by so doing. It should, of course, be recorded that the King cannot always be seen promptly. An audience is sometimes delayed a week or more after being requested, according to the humor of the King and according to whether he thinks the person asking the interview is likely to have some controversial or too pointed matter to discuss.

cuss. The Ethiopians are, after all, more Oriental than otherwise in their manner and conduct.

I did, however, before sending the telegram hereby confirmed, consult my British colleague. We agreed that the presence of the Sudan Government officials in England at this time afforded too good an opportunity to lose for an informal conference with a White representative. A conference of the kind is believed necessary to iron out to such extent as may be possible any potential differences of opinion or viewpoint in the Tsana matter in order that there may be greater Anglo-American solidarity when the formal conference with the Ethiopians takes place. Should the latter run true to form their delegate or delegates will perhaps look for advantage to themselves in possible disagreement between the British and the Americans. With this in mind the informal conference proposed for the present time in London would be invaluable.

As has been indicated in a previous despatch such informal conference must be so confidentially and discreetly arranged as to prevent the Ethiopians learning about it. That ought to be comparatively easy. This end of the line is reasonably well guarded by the British and American Legations and in so large and busy a place as London there should be no difficulty in arranging the conference in a manner that it will come to the attention of no one other than those immediately concerned. At least such is the opinion arrived at

between

between my British colleague and myself.

While the conference in question would in no important way be opposed or detrimental to Ethiopian interests the latter would very likely suspect otherwise. They are very prone to suspicion of British intention in this Lake Tsana matter and negotiations and conference must be so planned and conducted as to avoid arousing that suspicion. The informal conference in London should really be advantageous to the Ethiopians in that it will smooth out potential Anglo-American difficulties which might otherwise complicate the formal conference which we hope to have held as the result of King Tafari's notification to the British Government. It would be more or less futile to endeavor to explain this to the Ethiopians; hence the suggestion to arrange the informal conference as entirely confidential between the British and American interests participating.

There is one important point which has doubtless occurred to the White Corporation which might, however, be here emphasized. It is that to move the Ethiopians to final action in this dam matter the Anglo-American negotiators will have to show to them something material or tangible in the way of profit. The Ethiopians will be moved only by dollars and cents arguments as the Legation now sees the situation. Of course, such dollars and cents must come from the operation of the dam. This may prove to be one of

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the knotty problems to settle between the British and the Americans and such constitutes another very important reason for a preliminary Anglo-American conference. The matter may thus be discussed frankly and confidentially and agreement arrived at as to the attitude to be taken with the Ethiopian delegate, or delegates as the case may be. Financial argument is the most potent one possible with the Ethiopians. In the Tsana Dam matter there will, the Legation assumes, be no preliminary distribution of largesse prior the negotiations in the manner made popular here by the Italians and French. The financial gain of the Ethiopians will presumably come from actual operation of the dam, as it should. But the manner and method of gain from such source should be the subject of a preliminary Anglo-American understanding.

Should the informal conference take place there appears at this time only one potential leak of information to that effect. This would be through the possible connections which Doctor W. C. Martin has in London. Such are doubtless well known to the British Foreign Office. The absolute elimination by the King of Doctor Martin from the recent negotiations conducted here by Vice President Henry A. Lardner of the White Corporation has considerably piqued the Doctor. There is accordingly uncertainty as to how he would use information which might now come to his knowledge. Mr. Lardner is fully informed about this element of

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the situation.

I shall cable the Department immediately any precise information is obtained from the King as to his intentions in the matter of notifying the British Government of his arrangement with the White Corporation. The step following that, as the Legation sees it, will be a proposal from the British for a conference. That proposal will likely be deliberated upon and mulled over, with true Ethiopian disregard for time, before the Ethiopian delegate or delegates are appointed. Obviously an appreciable period may elapse before the conference finally gets under way. The Legation has all of this in mind and in order to speed matters will work with the fullest endeavor permitted by tact.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies.
Received

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist.
Date 9-22-59

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

July 27th, 1929.

DEPARTMENT OF STATE
SEP 16 1929
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DIVISION OF
EASTERN EUROPEAN AFFAIRS.
SEP 13 1929
DEPARTMENT OF STATE

DEPARTMENT OF STATE
AUG 27 1929
DIVISION OF
FAR EASTERN AFFAIRS

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-18-59

CONFIDENTIAL.

AM RECD
DEPT. OF STATE
INDEX BUREAU
AUG 23 1929

FOR DISTRIBUTION - Yes No

No. 232.

INDEX BUREAU
884.6461-Italians/109

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to state that among recent deportations from Ethiopia made at French instigation is one of Nicolas Voronovsky, a Russian emigré for the last few years employed by the Ethiopian Government as an engineer of "ponts et chaussées."

Mr. Voronovsky has been a French protegé and asked my French colleague why he had been deported. I was informed that Voronovsky had "relations with the Bolshevists" about which the local French Legation learned from information allegedly obtained by the French Government from the Russian Embassy in Paris.

FILED
SEP 18 1929

Among

Among such relations, my French colleague informed me, was a dossier sent by Voronovsky to Moscow which contained complete plans and a report on the Lake Tsana Dam. The plans and other information were presumably obtained by Voronovsky when in 1926 he was a member of an Ethiopian official party which made a survey of the proposed site of the barrage on the Blue Nile at Lake Tsana.

Voronovsky visited this office over a year ago and asked me to inform the White Engineering Corporation of his maps and plans which he claimed were much simpler and easier than those of the British engineering commission which also had surveyed the site for the dam. With the usual waiver of responsibility Mr. Voronovsky's desire was placed before the White Corporation in a letter addressed from the Legation to it under date of July 16th, 1928, and forwarded in the routine manner through the Department.

As to why Voronovsky would send his file of maps and plans to Moscow, or why Moscow would want them, the Legation has no specific information. The only information the Legation at present has is that cited above as coming from my French colleague. It is not apparent here what real interest Moscow could have in such documents.

This incident does not impress the Legation as of great importance but is thought of sufficient interest for record in the general correspondence on the

Tsana

Tsana matter. Also it may be of use should Voronovsky find his way to America and endeavor to initiate a contact with the White Engineering Corporation. The Legation knows nothing against Voronovsky other than his alleged act of providing Moscow with copies of the Tsana Dam plans and maps compiled while under the orders and pay of the Ethiopian Government. The plans and maps would, of course, have the character of Ethiopian official documents and if Voronovsky made of them the alleged distribution his offense would assume a serious character. Whether he did so distribute them might be considered subject to verification, notwithstanding the source of my information that he did do so.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

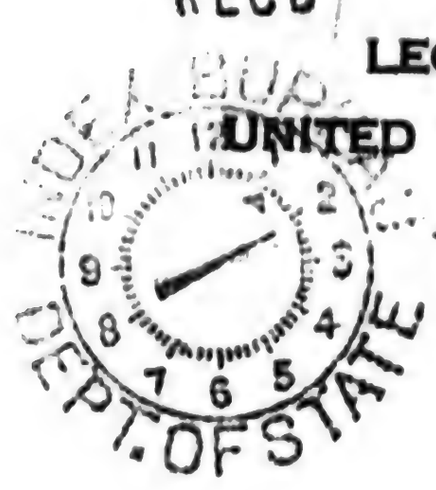
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W.V.W.

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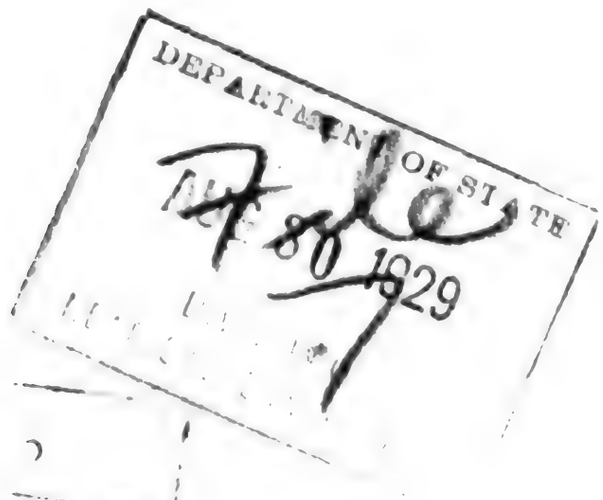


AUG 29 29

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

July 29th, 1929.



FOR DISTRI

INDEX BUREAU
884.6461/Lane/110

No. 234.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm the Legation's telegram of this date in reply to the Department's No. 34 (99a) of July 26th, 7:00 p.m., 1929, indicating the non receipt of the Legation's reply to the Department's No. 32 (95a) of July 17th, 5:00 p.m., 1929.

The Legation did not receive the Department's No. 32 of July 17th, 1929, until July 25th, and reply was made on that date. The delay in the receipt of the Department's telegram was caused by break in telegraphic communication between Addis Ababa and Asmara over which route telegrams pass to and from Europe.

FILED
APR 3 1931

As

As stated in the Legation's telegram hereby confirmed I have reason to think that the King will this week notify the British Legation of his arrangement with the J. G. White Engineering Corporation with reference to the contemplated construction of the Lake Tsana Dam. My reason for so thinking is that the King two days ago told me he was about ready to take the matter up with the British Legation. Although His Majesty did not specifically say so I have the impression that he has been waiting the written opinion of Ras Kassa and now expects that opinion within a few days after having had by telephone from Kassa information that the reply would advise action at this time.

Ras Kassa is, next to King Tafari, the most important male Ethiopian in the Empire. His close relation to the throne as a member of the Royal Line of Solomon has been commented upon in various previous despatches (See No. 39 of June 19th, 1928) from the Legation. King Tafari counts much upon his support and rarely takes important action of any kind without consulting him. Kassa is at present at his capital of Fiché, not far from Addis Ababa to the north. During the dry season the journey from Fiché to Addis Ababa can be made in practically a day by pushing a motor car as fast as it will go over the mud road which, however, is impassable for wheeled traffic during the present season of rains. Letters must

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at this time be carried by messenger on foot or on the back of a mule and should the streamsen route be unduly high several days might be required.

The Legation will continue to press tactfully for action and will telegraph if and when the British Legation actually has in hand the King's notification.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

AM RECD
DEPT. OF STATE
SEP 3 29

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

August 8th, 1929.

DEPARTMENT OF STATE
SEP - 4 1929
DIVISION OF
EASTERN AFFAIRS

FOR DISTRIBUTION - [illegible] No

No. 238.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm the Legation's telegram of this date reporting that King Tafari had promised definitely to take up today or tomorrow with the British Legation the matter of informing it of the engagement entered into with the J. G. White Engineering Corporation with reference to the Tsana Dam.

This telegram is merely to report progress and was not delayed until after the initial audience, which my British colleague now tells me is fixed for this afternoon at four o'clock, as it is likely that more than one audience may be necessary before there is

INDEXED
FILED
APR 3 1931

is anything definite to report.

The Legation has worked intensively to bring about this initial audience as the way will thus be opened for direct action by the British Minister in urging the Ethiopian Government towards final action in the Tsana project. The British Legation has not heretofore, for strategical reasons, directly approached the Ethiopian Government in the present stage of the Tsana negotiations. Now, however, that the King has been persuaded to invite the local British Minister for discussion the latter will probably be able in the future to join with this Legation in such pressure for action as may seem tactful.

The King did not intimate to me the intended nature or form of his notice to the British Legation of the engagement covered in his recent letter to President Gano Dunn of the J. G. White Corporation. His Majesty may not at first approach the matter in a way to facilitate the action which we plan but we have hopes for the best. As has been indicated in various despatches to the Department the thought processes of the Ethiopians are so different from our own and their regard for the value of time is so unimportant that we must have great patience and special understanding in dealing with them.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

AM RECD

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

August 9th, 1929.

SEP 12 29

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L Heise, archivist
Date 9-28-59

~~CONFIDENTIAL.~~

DEPARTMENT OF STATE
SEP 13 1929
DIVISION OF
FAR EASTERN AFFAIRS

FOR DISTRIBUTION

INDEX BUREAU
884.6461 Tsana Dam/102

No. 239.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm the Legation's telegram of this date reporting that King Tafari had yesterday afternoon discussed with the British Minister the Tsana Dam project.

The King's conversation amounted in essence to a statement to Sir Sidney Barton, my British colleague, that he could not proceed further with the White Corporation until he learned how much water the British would take and how much they proposed to pay for what they did take. My colleague naturally replied (as the King doubtless anticipated) that these two ques-

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FILED
APR 3 1931

tions depended upon such highly technical considerations that they could only be answered after a conference between the British and the American engineering interests, but that he would place them before his government for consideration. The King admitted the necessity for a conference but emphasized that he did not ask for one. This is, of course, in line with the King's steadily pursued attitude that request for a conference must come independently from the British. This my British colleague fully understands and he asked what would be the King's attitude should a conference be proposed. The King indicated without definite commitment, I understand, that he would be receptive to such proposal.

Assuming a hypothetical character for the proposed conference my British colleague endeavored to draw out the opinion or intention of the King as to its place and scope. He obtained the more or less definite impression that the King would insist on Addis Ababa as the place and was willing that all parties participate. Sir Sidney intimated that London or Cairo might be considered as a place for the conference and obtained the impression that the King was definitely opposed to London and would not easily be persuaded to accept Cairo.

This Legation is of the opinion that Addis Ababa would be a desirable place in many ways and understands that the British Minister has indicated the same opinion to his government. One great handicap which has always

existed

existed to obtaining the King's consent to a conference in either London or Cairo is that His Majesty has no trusted Ethiopian to whom he could delegate reasonably full power to participate in such conference. By holding the conference here the King would directly participate and agreement or disagreement would be more promptly and definitely arrived at. Incidentally, should the conference be held here and result successfully the White representative or representatives could proceed without loss of time to negotiate the construction and financing contracts. The principal objection to having the conference here, so far as can now be seen, would be an acquiescence to some extent on the part of the visiting delegates to the dilatory methods of the Ethiopians usual in such meetings. In other words control of the speed of the conference would be almost entirely in Ethiopian hands. However, with both the British and American Legations pressing the King to speed up the discussions the suggested handicap might not be serious.

Certainly by consenting to Addis Ababa as the place the actual convening of any proposed conference could be greatly facilitated. Before a conference could be held in London or Cairo the King would have to be subjected to long and persistent persuasion. The line of least resistance would be, therefore, acceptance of Addis Ababa.

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This is all, of course, on the assumption that the British Government will find Sir Sidney's meeting with the King yesterday as sufficient basis for proposing a conference. There is no present reason to consider that the King would fail to accept such proposal. In the opinion of the Legation His Majesty is quite willing to have a general conference for the definite purpose of proceeding with the dam project if such conference can be arranged for in a way which will make the proposal come, or seem to come, unsolicited from the British. The King is exceedingly sensitive concerning his own importance and recognition as the ruler of a sovereign state who holds something of value which he thinks a stronger sovereign state has in the past tried to browbeat him into yielding. He wishes to be confirmed as an equal in the negotiations. His fear of unknowingly making undue concessions creating a contrary impression amounts in effect to what some American writers would call an inferiority complex. His Majesty has less such fear than when we originally opened the discussions and it will continue to lessen if and when we actually establish the conference. In the meantime, however, his sensitiveness is an important consideration.

Should the conference be actually arranged for it would seem highly desirable for the White representative to consider traveling out via the Sudan and crossing overland with the Sudan delegates via Lake Tsana to

Addis

Addis Ababa. That would give an opportunity for a joint preliminary examination of the territory and would better prepare at least the American delegate, or delegates, to take definite action in the proposed conference. The season of little or no rain begins in October and runs through to spring so that such overland trip would involve no particular hardships on account of weather. Also the two sets of delegates might en route pay a visit of respect to Ras Hailu of Godjam for the need of which Vice President Henry A. Lardner of the White Corporation is thoroughly familiar as the result of his recent sojourn in Addis Ababa. Such visit would, of course, have to be done with the approval of King Tafari arranged for, if possible, through the British and American Legations here. There is no assurance that Tafari's approval would be forthcoming.

In effect the audience of my British colleague with King Tafari seems another step in advance. It opens the way for him to join this Legation in such further conversations with the King as may be required, and gives us an obvious strategic advantage. As the Department knows this Legation has had long and intensive work to bring the King to the point of reopening direct contact with the British. Hence the main reason for suggesting that the audience of yesterday is advancement of the project.

I

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald Y. Allaire Assistant
Date 9-28-58

TELEGRAM RECEIVED

PRA

~~This telegram must be closely paraphrased before being communicated to anyone.~~

FROM Addis Ababa

Dated Sept. 17, 1929

Rec'd 10:05 a.m., 18th

Index Bureau
RECEIVED
SEP 18 1929
Dept. of State

DEPARTMENT OF STATE
SEP 18 1929
DIV. OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington

28, September 17, 11 a.m.

~~STRICTLY CONFIDENTIAL~~ Letter to Gano Dunn (Cuhite Eng. Corp.) 9/19/29 gtt

September 19, 1929.

The promised second audience for the British Minister continues to be deferred and I have therefore resumed my own pressure for action with the result of an intimation from the King to me that he will probably decide favorably for Anglo-American Conference here on the Tsana Dam and hopes to be able to inform me definitely within a week or ten days.

SOUTHARD

WSB

JHB

Should not be sent by Br. for telling of it to me

FILED
SEP 23 1929 F

884.461 - Tsana Dam/113

September 19, 1929.

Dear Mr. Dunn:

In a strictly confidential message, dated September 17th, Mr. Southard informs us that since the second audience promised by King Tafari to the British Minister continues to be delayed he (Mr. Southard) has resumed his own pressure for action. The King has now intimated to Mr. Southard that he will probably decide in favor of an Anglo-American conference at Addis. It seems that the King has in mind informing Mr. Southard definitely on this subject within a week or ten days.

The above is for your personal and strictly confidential information.

Yours sincerely,

G. Howland Shaw

Mr. Gano Dunn,
President,
The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

Sep. 19, 1929

884.6461 -Teana Dam/113
NE GHS/MHB

884.6461 - Teana dam/113

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, archivist

TELEGRAM RECEIVED

Date 9-28-59

RECEIVED
PM. SEP 20 1929

Substance telephoned to Mr. Dunn 9/21/29.

This telegram must be closely paraphrased before being communicated to anyone.

FROM Addis Ababa

Dated Sept. 19, 1929

Rec'd 1:45 p.m., 20th

DEPARTMENT OF STATE
SEP 20 1929
DIVISION OF NEAR EASTERN AFFAIRS

Secretary of State,

Washington.

29, September 19, 9 p.m.

The king has just informed me of his definite decision to have here about December first an Anglo-American Conference to complete details of Tsana project and hereby invites the White Corporation to send its representative. I shall cable exact date after seeing the King again tomorrow.

SOUTHARD

NSB

JHB

TO BA FOR BILLING
Skeleton sent to BA

FILED
SEP 23 1929 G

884.6461-Tsana Dam/114

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heisl, archivist

Date PRA 9-28-59

TELEGRAM RECEIVED

This telegram must be closely paraphrased before being communicated to anyone.

FROM Addis Ababa

Dated Sept. 21, 1929

Rec'd 8:20 a.m.

Secretary of State,

Washington.

Index Bureau
RECEIVED
SEP 21 1929
Dept. of State

DEPARTMENT OF STATE
SEP 21 1929
DIVISION OF
NEAR EASTERN AFFAIRS

30, September 21, 6 p.m.

September 21, 1929

Referring to my cable September 19, 9 p.m.

The King has now informed me that the White Corporation representative to the Conference should arrive here at any time during the last ten days of December. I am informed by the British Minister that the King has not yet notified him of the acceptance of the British proposal for a conference but I anticipate that such action will occur within a few days and that the delay has no special significancel

SOUTHARD

HPD

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SEP 23 1929 G

TO BA FOR BILLING
Skelton sent to BA

884.6461-Tana Dam/115

INDEX BUREAU

1747.4488
Tsana Dam/115

September 21, 1929

In reply refer to
NE 884.6461-Tsana Dam/115

Dear Mr. Dunn:

The following is a paraphrase of Mr. Southard's telegram of September 19, the substance of which I telephoned you this morning:

> I have just been informed by King Tafari of his definite decision to hold about December 1 at Addis an Anglo-American conference for the purpose of completing the details of the Lake Tsana Dam project. The King hereby extends an invitation to the White Corporation to send its representative. After seeing His Majesty again tomorrow I shall cable the exact date.

The following is a paraphrase of a second cable from Mr. Southard dated September 21 and just received at the Department:

> I have now been informed by His Majesty King Tafari that the representative of the White Corporation at the conference should reach

Mr. Gano Dunn,
President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

reach Addis at any time during the last ten days of the month of December. The British Minister informs me that His Majesty has not as yet notified him of the acceptance of the British proposal for a conference. However I anticipate that such action will take place within a few days. I do not think that there is any special significance in this delay.

Very sincerely yours,

G. Howland Shaw

Chief, Division of Near Eastern Affairs.

HE GHS/LVD

OR
Sep. 21. 1929 12 n

PREPARING OFFICE
WILL INDICATE WHETHER
Collect
Charge Department

TELEGRAM SENT

TO BE TRANSMITTED
~~CONFIDENTIAL CODE~~
NONCONFIDENTIAL CODE
PLAIN

Department of State

Charge to J. G. White Engineering Corp.,
$ 48 Exchange Place,
New York City.

Washington, October 4, 1929

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.

AMLEGATION

ADDIS ABABA (ETHIOPIA) By Ronald J Heise, Archivist

Date 9-28-59

Your 30, September 21, 6 p.m. amd 29, September 19, 9 p.m.

In answer to the invitation contained in your telegram No. 29 please convey the following to King Tafari from the White Corporation: (Stay) QUOTE The White Corporation is in receipt of His Majesty's invitation to a tripartite conference at Addas Ababa and has the honor to accept it. They will accordingly send their Vice President, Mr. Lardner, to confer with King Tafari's representative and the representatives of the British Government. Mr. Lardner will arrive at Addas Ababa during the last ten days of the month of December as His Majesty has requested. ENDQUOTE

884.6461 Tsana Dam/114

NE GHS/LVD

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CR ✓
Oct. 4, 1929

Enciphered by.....

Sent by operator.....*M.*, ..., *19*...., ...

Index Bu.—No. 50.

GOVERNMENT PRINTING OFFICE 1—1288

884.6461-Tsana Dam/115

RECD
INDEXING BUREAU
DEPT. OF STATE
SEP 24 29

AE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

August 23rd, 1929.

INDEX BUREAU
884.6461-Dana Dam/1

FOR DISTRIBUTION - CHECK Yes No
Field
S A

No. 248.

DEPARTMENT OF STATE
SEP 25 1929
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor herewith to confirm the Legation's telegraphic despatch of this date reporting that the British Minister at Addis Ababa had been authorized to propose to the Ethiopian Government a general conference on the Tsana dam project.

My British colleague received appropriate telegraphic authorization from London on August 19th, 1929. He asked for an audience with the King which was granted for the afternoon of August 22nd. The King was informed on that occasion that only a conference between the Sudan officials and the White Engineering Corporation representatives could provide information for reply to the King's

two

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APR 3 1931

two previous questions as to how much water the British wanted and how much they would pay for it. My British colleague tells me that he informed the King that the British Government would have the Sudan officials ready for conference at such place and on such date as His Majesty might indicate, and that it was assumed by the British Government that His Majesty would arrange to have the White representatives present.

King Tafari replied that he would consider the matter and arrange for another audience for the British Minister to receive the reply. This is typically Ethiopian. A decision or reply is rarely given at the initial audience on a subject although the King, or other Ethiopian official concerned, may know full well exactly what the decision or reply will be. By some peculiar twist of mentality the Ethiopian believes that by replying too promptly or definitely on any given occasion he would lose in dignity and perhaps sacrifice strategic advantage to the other side. Such attitude is perhaps difficult to understand but it very definitely exists in all relations of Ethiopians with foreigners as well as with each other. The average foreigner takes a while to learn and become convinced of this peculiar Ethiopian attitude but he finds in time that there is no other course open. Hence the high advisability of some experience in the country on the part of those who propose to negotiate business or other contracts with the Ethiopians.

Neither

Neither my British colleague nor I have any definite reason for believing at this time that the King will do other than arrange for the proposed conference. Nor have we reason for believing that he will without doubt take such action. We can only wait and see. Normally we might not have to wait too long. But the greatest of Ethiopian national festivals, that of the Maskal or New Year, occurs in September and all Ethiopian officialdom, including the Empress and King, is already much preoccupied in preparation for the event. The King is particularly concerned as he must be on the alert for possible political disturbances which, in the history of the country, have always been planned for blooming at Maskal time. Accordingly His Majesty has not much time for other affairs, and particularly for one of the comparative importance given to the Tsana dam project. As has been conjectured in previous despatches from the Legation there is yet no certainty that the King has definitely made up his mind that he will have the dam constructed. He is believed, however, to be nearer a definite intention in the premises than at any previous stage of the negotiations.

I am expecting the King to send for me for discussion before he again sees the British Minister but it would not be good tactics for me to endeavor to hasten such possible audience at this special time. Should His Majesty delay too long in calling my British colleague

league again I shall, of course, ask for an audience and press for further action. But I must first tactfully allow time for the audience which His Majesty intimated yesterday would shortly be given the British Minister. The latter has left Addis Ababa to meet his wife in Djibouti and will be absent possibly a week.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

DOCUMENT FILE

NOTE

SEE 031.11 Eddy.Clyde(Nile)/13 FOR despatch #245

FROM Abyssinia (Southard) DATED Aug.20,1929
TO NAME

REGARDING: Suspicions aroused in the Ethiopian people by the Clyde Eddy Expedition as being associated with the progress of the negotiations of the J.G.White Engineering Corporation for the construction of the dam on the Blue Nile where it leaves the Lake Tsana.

INDEXED

884.6461/Tsana Dam/11

mc

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107

TELEGRAM RECEIVED

eb GRAY

Addis Ababa October 1, 1929.

FROM Dated Sept. 25, 1929

Rec'd 8:52 a.m., 28th.

Secretary of State,

Washington

Index B Room DEPARTMENT OF STATE
SEP 28 1929
DIVISION OF NEAR EASTERN AFFAIRS
Dept. of State

32, September 25, 6 p.m.

Referring to my telegram of September 20, 6 p.m.

The King yesterday notified the British Minister of his decision for the conference.

SOUTHARD

EG

JHB

Skeleton sent to BA for telling Mice

Letter to Johnson Com. 9/30/29

644.61-Luana/1118

FILED

OCT 1 6

October 1, 1929.

In reply refer to
NE 884.6461-Tunnn Dunn/118

Dear Mr. Dunn:

A telegram from Mr. Southard, dated September 25, 1929, reports that the King on September 24 notified the British Minister of his decision for the conference.

Sincerely yours,

G. Howland Shaw

Chief, Division of Near Eastern Affairs

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

45 Exchange Place,

New York City.

NE GHS/LVD

OK
Sep. 30. 1929 PM

true copy

884.6461-Tunnn Dunn/118

THE J.G.WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES
J.G. WHITE AND COMPANY, INC.
[illegible]ANY, LTD., LONDON
E J.G. WHITE ENGINEERING CORPORATION, S. EN C., MEXICO
[illegible]EERS CORPORATION

CABLE ADDRESS
WHITENGECO. NEW YORK
A.B.C. 5TH AND 6TH
WESTERN UNION
SCOTT'S 10TH
BENTLEY'S

Index Bureau
RECEIVED
OCT 7 1929

DEPARTMENT OF STATE
OCT 7 1929
DIVISION OF
NEAR EASTERN AFFAIRS

OCT 7 1929

Dept. of State

October 5, 1929.

Friday,
October 4th, 1929.

The Hon. G. Howland Shaw,
In Charge of Near Eastern Affairs,
State Department,
Washington, D. C.

Dear Mr. Shaw,

We thank you for transmitting our acceptance of King Tafari's invitation to the tripartite conference in December, and for your information enclose a copy of the British Embassy's communication to us, dated October 3rd, and a copy of our reply of October 4th, to Sir Esme Howard.

Again with appreciation of the State Department's courtesies, we are

Very truly yours,

Gano Dunn

Gano Dunn,
President.

KPG.
Enclosures.

INDEX BUREAU
884.6461-Dana Dunn/119

FILED
APR 3 - 1931

J. G. WHITE ENGINEERING CORPORATION

COPY

Friday,
October 4th, 1929.

His Excellency Sir Esme Howard,
His Britannic Majesty's Ambassador,
Washington, D. C.

My dear Sir Esme,

Permit me to acknowledge the receipt of your memorandum of October 3rd handed me in our conference last night in New York, and to confirm the observations which I made at that time.

We are glad to learn the concurrence of the Foreign Office in our view of the changed propriety of a preliminary discussion, now that His Majesty King Tafari has extended an invitation to the British Government.

We regret that the British Government cannot arrange a discussion in New York, for as pointed out in our letter of September 23rd, we believe such a discussion would be more productive than one in London.

Under the changed circumstances, we now accept however the suggestion of the Foreign Office conveyed in your letter of July 9th for a preliminary informal discussion in London. I will personally go to London and will be accompanied by our Vice President, Mr. Henry A.

9111/119 Tsai-Ting, 1929 - Notre Dame

Lardner, who was lately in Abyssinnia and whom we shall send there again, as our representative to the formal tripartite conference which the King has called for the end of December.

While we are without compunction now as to a discussion in London, we agree that it is desirable that it should be inconspicuous.

A serious factor is involved in the date on which the Financial Secretary of Sudanese Government and Mr. MacGregor must be back in the Sudan, for I am under subpoena from the Supreme Court of the District of Columbia (Washington) to testify as a witness in the criminal trial of former Secretary of the Interior Albert B. Fall, on account of The J.G. White Engineering Corporation having built the United States Naval Oil Base at Pearl Harbor in the Sandwich Islands, and I am not allowed to leave the jurisdiction of the Court until this duty is discharged.

The trial is scheduled to begin on Monday, October 7th. I have consulted the attorneys in charge of the case and have been promised to be put on the stand as the very first witness for the defense on Monday, October 14th, which would permit me to sail in the Mauretania on Wednesday, October 16th, but not earlier, unless on hearing the evidence of the prosecution, the case should be dismissed.

COPY

On this schedule, I would reach London probably on October 22nd, but this may not be in time before the departure of the Sudanese financial secretary and Mr. MacGregor. It is the best that I can do.

I understand that you will have cabled these circumstances and I am to await a reply before taking passage.

We note that it is the view of the Foreign Office that because they are not sending a financial representative to the December conference at Addis Abeba and for other reasons, the conference can only be exploratory in nature and that the Foreign Office would like the conference to result in a definite agreement permitting The J. G. White Engineering Corporation to prepare a detailed scheme and estimate for the construction of the reservoir and the road, looking to the future for the grant of the concession for construction and operation.

We beg leave to refer to our letter to Your Excellency of the 24th of June, 1929, in which

> "We have pointed out that a definite contract which would form the credit basis on which American securities would be issued to finance the project, probably cannot be entered into by the British Government without a thorough field survey of the physiographical and other conditions and such design of the works as will enable the cost to be reliably calculated, and that The J.G.White Engineering Corporation while ready to make considerable expenditures, as it has already done, to conduct the negotiations,"

"could not be expected to make the very large additional expenditures involved in such survey and design, without a definite concession, thru which to recover these expenditures".

and to our letter to Your Excellency of the 27th of June, 1929, in which we said

"While without the protection of the concession, we do not see our way clear to advance the large expenditures involved in these engineering and economic determinations which must necessarily underlie a definitive water contract of the kind we have contemplated as the bredit basis for the issue of American securities, we are prepared to continue the negotiations and to cooperate in His Majesty King Tafari's plan for a three party conference, preferably and presumably in London, with the possibility thru this of the satisfaction of the Ethiopian Government in respect to the discharge of its obligations under the 1902 Treaty and the satisfaction of such other grounds as His Majesty King Tafari may have for requiring an agreement with the British Government, as a condition precedent to signing our proposed concession."

We recognise that a survey and cost estimate are prerequisited to a definitive contract with the Sudanese Government, but we are at a loss to see how the considerable sum to pay for these can be found unless it be advanced by us as a result of the grant of a concession that relies upon American financing or is supplied from British sources.

From statements made to us by the original Abyssinian representatives with whom our proposed concession was

COPY

negotiated in the United States and by other reports from Abyssinia , we believe that the principal reason why His Majesty King Tafari took the Lake Tsana matter to the United States was avoidance of the introduction of British capital into Abyssinia.

If this still be His Majesty's point of view, a proposal by the British Government to advance the survey costs might be unacceptable and a proposal by the British Government or other British financial interests to supply the capital for the development might be a mistake.

We have said in our conversations with you and we believe in our correspondence, that if His Majesty King Tafari should waive his objection to British capital, we would be willing to forego that part of the profits to our firm that would be derived from the operation of financing, in consideration of our securing the contract for construction, but we have at this time doubt that an offer on the part of the British Government to advance the survey costs would be favorably received, and serious doubt that an offer to advance the construction capital, would be acceptable.

Also, if we were a party to the proposing of the

THE J. G. WHITE ENGINEERING CORPORATION

COPY

latter we believe that our present favorable status would be jeoparded.

We hope that the departure of the Sudanese financial secretary and Mr. MacGregor can be deferred a few days to permit a fuller presentation of these considerations in London, and await your further advice.

Thanking you again for your courtesy and your attention to our matter, I am, dear Sir Esme,

Very sincerely and respectfully yours,

Gano Dunn,
President.

6.

Memorandum concerning the Lake Tsana project for communication to Mr. Cass Dunn.

On the receipt of Mr. Dunn's letter of September 23rd the British Ambassador telegraphed a summary of its contents to the Foreign Office. A copy of the letter was transmitted to the Foreign Office on September 27th.

The Foreign Office have now replied to the Ambassador's telegram to the following effect.

1. The definite invitation of the King to a tripartite conference at Adis Abbaba in December next has materially modified the situation which existed when His Majesty's Government proposed in July a preliminary meeting in London between their representatives and the J.G. White Corporation. (Sir Esme Howard's letter of July 9th to Mr. Dunn.)

2. The Sudanese Government's representatives who are now in London (the Financial Secretary of the Sudanese Government and Mr. McGregor) cannot arrange to visit New York at the present time. They must return to the Sudan in about a fortnight's time as their presence there is necessary by the end of October.

3. The Abyssinian Minister who has been appointed to London has as yet shown no sign of taking up his appointment and if the J. G. White Corporation consider it worth while to send a representative to

London while the Sudanese officials are still available there, it is thought that there will be little danger of the information leaking through to Adis Abbaba.

4. The Sudanese Government are only sending Mr. McGregor and not any financial representative to Adis Abbaba for the forthcoming tripartite conference. They feel that this conference can only be preliminary and exploratory in nature, leading up to the collection of data not yet available for final agreement. They would like the conference to result in a definite agreement permitting the J. G. White Corporation to prepare a detailed scheme and estimates for the construction of the reservoir and the road, with an undertaking on the part of the Abyssinian Government to summon a further tripartite conference at which the resulting project would be considered with a view to granting the concession for t the execution and operation of the project.

5. When Mr. McGregor visited New York last year, all the information then available was given to Mr. Dunn and his associates, but on the receipt of Mr. Dunn's letter -- (presumably the letter which he addressed to the Ambassador on September 23rd) -- the Sudan Government will answer as far as possible any specific points raised therein.

October 3rd, 1929.

T.S.

October 5, 1929.

Dear Mr. Dunn:

Thank you for your letter of October 4th and its enclosures.

I am enclosing herewith a paraphrase of the telegram sent in your behalf yesterday to Mr. Southard. To be accurate, only the first paragraph is paraphrased. The message proper, as you will note, is as telephoned by you to my office.

Sincerely yours,
G. Howland Shaw

Chief, Division of Near Eastern Affairs.

Enclosure.
Paraphrase of
telegram dt
to Addis Ababa.

884.6461 - Tsana Dam/14

Mr. Gano Dunn,

President, The J. G. White Engineering Corporation,

43 Exchange Place,

New York City.

DS
Oct. 8, 1929 pm

NE GHS/GC

884.6461 Tsana Dam/14

A true copy of the signed original

PARAPHRASE OF TELEGRAM
TO THE AMERICAN LEGATION AT ADDIS ABABA
DATED OCTOBER 4, 1929.

Please convey to His Majesty King Taferi from the White Corporation the following, which is in reply to the invitation set forth in your telegram No. 29.

"The White Corporation is in receipt of His Majesty's invitation to a tripartite conference at Addas Ababa and has the honor to accept it. They will accordingly send their Vice President, Mr. Lardner, to confer with King Taferi's representative and the representatives of the British Government. Mr. Lardner will arrive at Addas Ababa during the last ten days of the month of December as His Majesty has requested."

884.6461-Tsana Lake/19

AM RECD
OCT 9 29

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

September 4th, 1929.

DEPARTMENT OF STATE
OCT 9 1929
DIVISION OF
NEAR EASTERN AFFAIRS

~~STRICTLY CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, Archivist
Date 9-28-59

No. 256.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report the following substance of a friendly conversation just had with Mr. Cora, my Italian colleague in Addis Ababa, which is an interesting although perhaps not very important angle of the Tsana dam situation.

Mr. Cora told me that he had been instructed by his Government to ascertain from the Ethiopians the exact status of the Tsana dam matter. Acting accordingly he has discussed it with King Tafari and reports to me that the King told him that the matter continued in an entirely tentative status and that he, the King, had not yet definitely committed himself to either the

British

INDEX BUREAU
884.6461 Tsana/120
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OCT 11 1929
Confidential File

British or the Americans.

Actually the King not only committed himself to me orally, but I consider that his letter of June 21st, 1929, to Mr. Gano Dunn, enclosed with the Legation's No. 211/95 of the same date, is in Ethiopian intention a definite commitment. Therefore, my Italian colleague is either toying with the truth or the King is engaging in considerable duplicity. Either interpretation could be accurate. The incident need not be considered particularly important in its bearing on the final outcome of the Tsana matter but is of distinct interest and importance as demonstrating Italian persistence in interfering with and intriguing in the Tsana matter and, assuming that the King actually told Mr. Cora what was related to me, it shows that His Majesty wants also to "play" with the Italians.

My Italian colleague went on further to express the opinion to me that the King had no definite intention of building the dam and had only gotten the Americans into the affair to play them off against the British. I have sometimes suspected as much myself, but in view of the more recent developments have become a bit more optimistic. The King is, however, just now showing evidences of further maneuvering for time as he is apparently evading the audience which should promptly follow his initial one to my British colleague of which report was made in the Legation's No. 247 884.248/20 of August 22nd, 1929, in confirmation of a

telegram

telegram on the same subject. There is, of course, his excuse of present concentration on preparations for Maskal.

I did, however, deduce from my colleague's conversation that his pessimism as to the King's attitude in the Tsana matter is inspired somewhat from his own disappointing experience in endeavoring over the period of a year to get definite Ethiopian action in the matter of the proposed Assab-Dessie road. Every Italian effort has been extended in getting action in that matter but there is yet no real indication that actual construction work will be authorized by the Ethiopians for a long while to come. Mr. Cora has had his home leave deferred for many months with the hope that he could finish the Assab road matter, but he is now about ready to concede that there is no prospect of near developments. He intimates that he has one more card to play, presumably the usual financial or gift of war munitions inducement, the success of which ought to be decided before the end of October.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

1 Copy detached for note MB

4 Carbon Copies

Received

DOCUMENT FILE

NOTE

SEE 884.00/168 FOR #265

FROM Abyssinia (Southard) DATED Sept.3,1929
NAME

TO

REGARDING: removal of Ras Guksa Wolie from his position as Governor of Gondar and appointment as governor of small area of Yeju, and the effect of the change on status of the Blue Nile dam project and bearing on American interest in the Tsana Dam.

884.6461-Tsana dam/1

121

Wh

Addis Ababa,
Ethiopia.

September 3rd, 1929.

No. 265.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report that news of a very interesting change in Ethiopian provincial governorships has recently become known to the Legation and is expected shortly to become effective.

Ras Gukssa Welie, Governor of Gondar, of whom considerable mention has been made in the Legation's No. 162 of February 16th, 1929, and subsequent despatches on the incident of the detention of the Pruffer-Perin caravan, is about to be relieved of his command. King Tafari's desire to remove this recalcitrant chieftain of the old regime has long been known but as Gukssa is the ex-husband of the Empress no one thought the removal would

would be possible. Her Imperial Majesty is known to have considerable friendship towards the husband from whom she was separated for political reasons in 1916, and it has not seemed in any way probable that she would consent to his removal from the highly important governorship of Gondar which post he is known to fancy. However, Tafari's remarkable astuteness and powers of persuasion appear again to have gained a point to which he has stuck persistently. The news, which the Legation has from a reliable source, that Guksa is being relieved from Gondar must mean that the Empress has consented.

This Ras, so troublesome to Tafari and the modernization of the country, is stated now to have been appointed as governor of a small area of Yeju, his paternal province. The area over which he will rule is small and comparatively unimportant. He will, in one way of speaking, more or less vegetate there and will be unable further to interfere with the ambitious plans of King Tafari. The shift of Guksa from Gondar also removes a possible obstacle to the development of the Blue Nile dam project, if and when that matter ever reaches a definite status. It may be fairly accurately conjectured that some of the King's reluctance to hasten negotiations in the Tsana dam matter has arisen from his uncertainty as to how to handle Ras Guksa at Gondar — and Ras Hailu in Godjam.

There

There is not yet obtainable any definite news as to who will get the important post of Gondar. There is persistent rumor that the King will add it to his own particular group of provinces and appoint one of his close henchmen to govern it for him. At any rate one of the socalled New Party — a designation including those who follow the King — will likely replace Guksa. The latter is one of the very few remaining high officials of the socalled Old Party — a designation used to cover those who follow the Empress and the Church — left in a position of importance and now he is going.

Thus Tafari continues to strengthen his hold on the country and in this instance has brought about a change having, whether intentionally or not, a direct bearing on the American interest of the Tsana dam.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

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AM RECD
BUREAU

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia,

September 14th, 1929.

OCT 14 29

884.6461- Tsana Dam

FOR DISTRIBUTION - CHECK Yes No
To the Field
In U. S. A

INDEX BUREAU
884.6461-Tsana Dam/122

No. 263.

DEPARTMENT OF STATE
OCT 14 1929
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 248 of August 23rd, 1929, 116 confirming a telegram reporting my British colleague's first audience with King Tafari on the Tsana dam subject.

The second audience has not yet occurred. One reason is, of course, the King's preoccupation with Maskal. Another and more important reason just learned by the Legation is that His Majesty wishes to discuss matters with Ras Kassa, a member of the Royal Family who has been described in previous despatches as sharing to a certain extent with the Empress and the King decision in important affairs of state. Kassa has been in residence all

through

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APR 3 1931

through the rainy season at his capital of Fiché, a little more than fifty miles north of Addis Ababa but connected by wheeled traffic with Addis Ababa only during the dry season by a dirt road. This dirt road is too deep in mud from June to September to permit easy travel. The Ras came by mule back to Addis Ababa last week end and we thought that the King would then discuss Tsana with him. Apparently the opportunity did not occur as Kassa departed again for Fiché immediately after offering condolences to the Empress on the death of her uncle, the Dedjazmatch Hapta Mariam, of which report was made in the Legation's No. 257 of September 5th, 1929.

884.00/166

Ras Kassa is expected again in Addis Ababa this coming week to remain for a longer time and it is assumed that the King will then complete his Tsana discussion. Kassa is accepted as being more or less pro-British, which is unusual among Ethiopians, and there would seem reason to believe that he will help Tafari to make up his mind in favor of proceeding with the dam.

Another rumor has reached the Legation that Ras Hailou of Godjam has indirectly threatened Tafari that he will not permit the construction of the dam unless the Anglo-American interests deal directly with him and see that he shares in any probable profits resulting from its operation. While it is probable that Hailou has such thoughts the Legation can hardly believe that he would have the temerity under

under present conditions to bring them to the King's notice. Ras Hailou must, of course, eventually be made agreeable to the dam project as much of the work will be done in or connected with the territory he rules and he might otherwise raise considerable inconveniences. This rumor may not be important and the Legation is unable to check it just now. Mr. Henry A. Lardner of the White Corporation will understand this reference fully as at the time of his recent visit the Legation went over with him in detail the role which Ras Hailou might or might not play in the Tsana project. As reported in the Legation's No. 255 of September 3rd, 1929, there has about been effected the removal from the Tsana area of Ras Guksa who might possibly have joined Hailou in opposing King Tafari's eventual arrangement for the construction of the dam. This considerably weakens Hailou's position of possible opposition.

884.00/168

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

TELEGRAM RECEIVED

b

CAIRO

~~This telegram must be closely paraphrased before communicated to anyone.~~

CLASSIFICATION CANCELLED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heise, Archivist
Date 9-28-59

FROM

Dated October 19, 1929

Rec'd 8:45 a.m.

Index Bureau
RECEIVED
OCT 19 1929

Secretary of State,

Washington

Dept. of State

DEPARTMENT OF STATE
OCT 1 1929
DIVISION OF NEAR EASTERN AFFAIRS

64, October 19, 11 a.m.

~~CONFIDENTIAL~~

I am informed that the Negus, in spite of opposition of British Minister who, however, succeeded in imposing certain conditions respecting share of water for the Sudan, has accorded the Lake Tsana contract to an American firm. It is assumed that some private agreement was come to with Rashailu, The Under Secretary of Egyptian Foreign Office in discussing with me the above mentioned report ventured the remark that Egypt was not much interested in the matter as it was one which affected primarily the Sudan.

GUNTHER

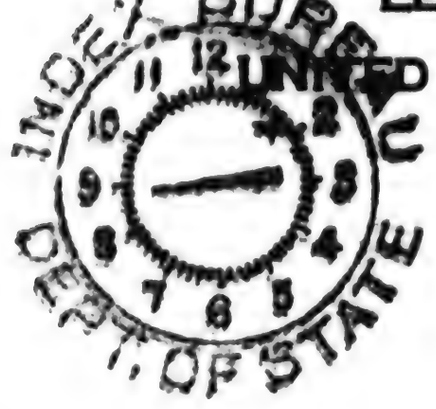
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JHB

INDEX BUREAU
884.6461-Tsana Dam/123

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OCT 22 1929

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AE

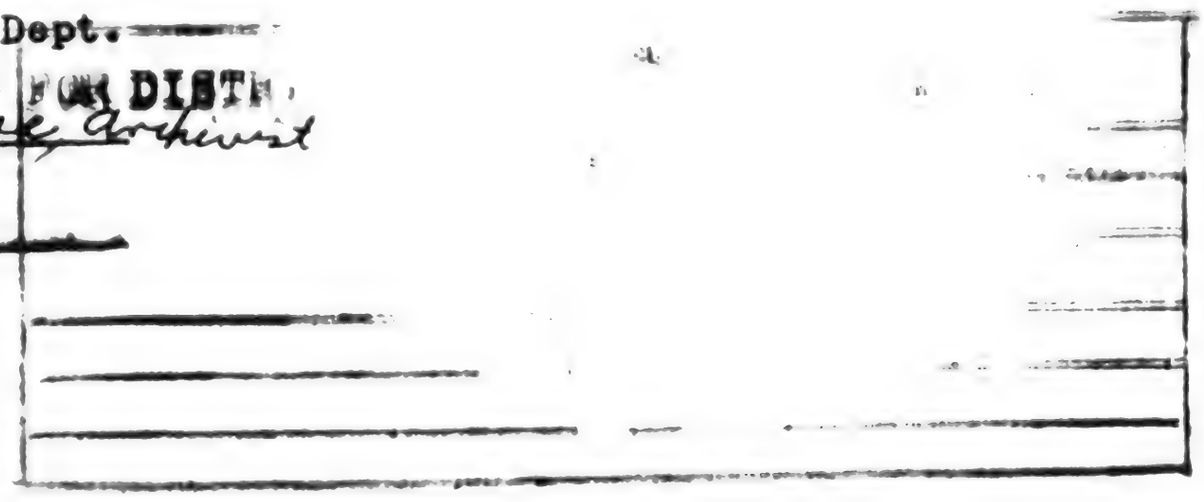
LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia.

September 17th, 1929.

~~CONFIDENTIAL.~~ OCT 23 29

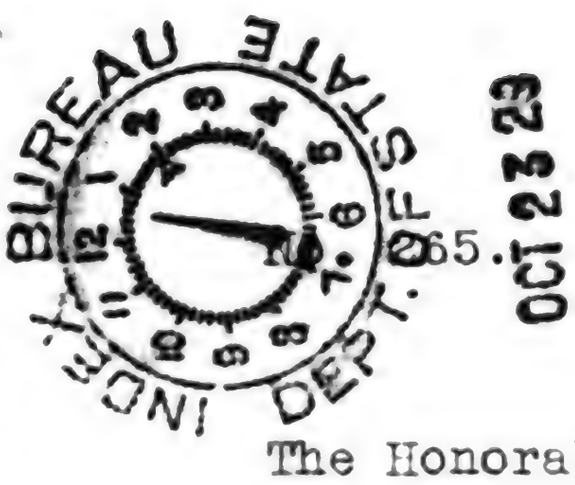
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W. H. Anderson, State Dept.
By Ronald L. Heisz, Archivist
Date 9-28-59

FOR DISTR



811.6461-Trana Dam/124

AM RECD



OCT 23 29



The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm the 113 Legation's telegram of this date reporting that favorable decision of King Tafari as to an Anglo-American conference in Addis Ababa on the Tsana dam might be forthcoming within a week or ten days.

As the Department is aware the British Minister had his first conference - for which the ground had been prepared by this Legation - with King Tafari over a month ago. The King then intimated that he would take matters under consideration and soon call my British colleague

for

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APR 3 1931
E

DONE 4-3-31

for a second audience. After having waited a reasonable time for the suggested second audience and no call having come it has seemed advisable for this Legation again discreetly and directly to take steps to bring about action. Such has been done with the knowledge and approval of my British colleague.

Yesterday, as a result of my resumed direct action, I had word from King Tafari that he had about agreed that the Anglo-American conference here would be necessary and that he would in a few days discuss the matter of a date for it. While His Majesty made no explicit promise, which would be contrary to the usual Ethiopian method, he appeared more definite than he would have been had he desired further to evade an issue. I have accordingly thought justified by the circumstances my telegram of today reporting progress. It is possible that the King will again defer action beyond my expectations but the need for as much advance notice as possible for the White Corporation seems to warrant taking the chance of prematurely reporting.

I am much inclined to the opinion that at the audience which I expect during the next few days the King will express the wish to have at as early a date as possible any conference upon which he may have decided. My British colleague and I agree that we also should press for an early date in the sense of "striking while the iron is hot."

hot." We have considered it good tactics to continue approaching the King independently of each other until he himself shall have proposed that he meet together. However, we keep in close touch and report confidentially to each other such information as seems necessary to proper understanding of the situation.

From my present knowledge of the King's attitude the conference which we expect him to call here may well afford opportunity for completing the negotiations. His Majesty desires commitment from the Sudan Government as to the amount of water it will buy. I have explained to him carefully that this can only be determined by conference with the engineers and financiers to develop probable cost of construction and operation of the dam, which explanation he appears to accept. With such ground to be covered we can expect that His Majesty will be ready at once to conclude contracts for financing and construction. At any rate it is advisable that the White Corporation representative, or representatives as the case may be, come prepared to conclude both contracts unless the Legation in the meantime advises otherwise.

The suggestion made in a previous despatch that the White representative might travel out with the Sudan representatives overland via Lake Tsana is still in my mind but nothing further can be suggested in that connection until the views of the King are obtained. I am at present,

however,

however, somewhat inclined to the opinion that such overland trip might better be deferred in the interest of speeding up the date of the conference here while the King is in a more receptive state of mind.

Mr. Henry A. Lardner is, of course, familiar with the conditions here and should the call for the conference come will know what preparations to make.

Further telegraphic report will be made as soon as there are definite developments.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

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DEPT. OF STATE
OCT 23 29

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia,

September 19th, 1929.

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald I. Heise, Assistant
Date 9-28-59

FOR DISTRI...

INDEX BUREAU
884.646/61-Tsana Dam/125

No. 266.

DEPARTMENT OF STATE
OCT 30 1929
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor herewith to confirm the Legation's telegram of this date reporting in effect that King Tafari had definitely decided upon an Anglo-American conference with himself in Addis Ababa to complete, if practicable, the necessary details of negotiation leading up to contracts for the Lake Tsana dam.

As reported in the Legation's No. 265 of September 17th, 1929, I had obtained from the King, after various audiences and explanations as to the proper way of arranging completion of the Tsana negotiations, an intimation that he expected shortly to decide in favor of the tri-partite conference here and would in a few days let

me

APR 3 1931

me know definitely. His Majesty's call to an audience came today, earlier than expected. I was asked today to discuss certain additional points of the proposed conference and His Majesty then told me that he had decided definitely to have the conference here and wished the Legation to notify the White Corporation. This was done in the telegram hereby confirmed.

The King seemed disposed to leave the date of the conference undecided but by tactful pressure I was able to get him to say "about December first". Such was reported in the telegram of this date, although the King has indicated that he may be able tomorrow to give the Legation a more definite indication of his wishes as to the date for the conference.

A considerable amount of patient argument and persuasion has been required to bring His Majesty to a definite decision in the matter of this conference. The Legation has developed substantial assistance in influencing His Majesty by tactful and careful propaganda to that end among various friendly Ethiopian notables who have the ear also of Her Majesty, the Empress. One of the King's most influential advisers who is generally anti-foreign happens to be friendly to this Legation and has been of great assistance to us. This particular man is not known to be friendly towards any other of the Legations here. The King's attitude today was significant in its indication of a mind finally made up concern-

ing

concerning what had previously been to him a somewhat vexatious question. If I have correctly interpreted his inner thoughts he is now ready to go ahead with the construction of the dam provided a suitable agreement can be reached with the British and American interests. To reach an agreement suitable to all concerned will require more than an average amount of bargaining skill and patience on the part of the British and American delegates, but in the opinion of the Legation there are no likely obstacles to such agreement which may not eventually be overcome by astute and patient negotiation.

The King was asked today whether he had any special wishes as to the White Corporation representatives and he replied that he thought Mr. Henry A. Lardner most acceptable. His Majesty said he did not know whether Mr. Lardner would handle both engineering and finance but assumed that the Corporation would make its own plans as to whether Mr. Lardner would come alone or be accompanied by others. This point came up particularly when the King was asked whether he could now state definitely that he would proceed at once with the contracts for financing and construction upon conclusion of the business with the British delegates. After Ethiopian manner he would not at this time definitely promise when the contracts could be proceeded with, although he did say that such would probably come about as part of the work of the conference. I am, however,

however, impressed that the King actually has in mind the completion of both the preliminary negotiations and the contracts at the conference now decided upon and the Legation will, of course, in the interim continue tactfully to help him to make up his mind definitely.

King Tafari is usually cordial in his business discussions so long as one does not become too insistent upon any given point which he is not in a mood to discuss. Such sensitiveness on his part, euphemistically speaking, has to be met with tactful evasion pending an opening for further pressure. The Ethiopian is distinguished in general by his obstinacy and inability to accept any proposal without changing it in some manner. He also likes to deliberate and vacillate a long while before making up his mind definitely even in matters of comparative unimportance. Argument and discussion constitute for him the real meat of living. He will not be hurried and any one who tries to hurry him rarely accomplishes tangible results.

Mr. Henry A. Lardner has become familiar with local methods of negotiation and will know that while the coming conference may be gotten through with in a couple of months a longer time may well be required. At any rate the negotiations, if successful, are unlikely to be completed in time to permit any field work of exploration or other character before the beginning of the next rainy season in

May

May or June. The rains end about the first of October and for the time of their duration travel and work in the Ethiopian provinces will continue highly inconvenient until roads shall have been constructed.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

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DEPT. OF STATE
OCT 23 23

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Ethiopia,

September 20th, 1929.

~~CONFIDENTIAL.~~
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Authority: letter 1-8-58
H. Anderson, State Dept.
Ronald L. Heise, Archivist
Date 9-28-59

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884.6461 - Tana Dam/12

No. 267.

DEPARTMENT OF STATE
OCT 24 1929
DIVISION OF
NEAR EASTERN AFFAIRS
115

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to confirm the Legation's telegram of this date reporting that King Tafari would expect the White Corporation representative to the coming Tsana conference to arrive in Addis Ababa during the last ten days of December.

Yesterday, during the audience at which the King informed me of his definite decision to have a conference, I pressed as far as seemed tactful for a definite date. His Majesty was uncertain but thought that December first would be about the time. He said, however, that he would today either confirm or change that date. The occasion of meeting him today was one of the Maskal fetes at which the

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APR 3 1931

the Diplomatic Corps attends. It is significant of his present live interest in the matter of the conference that he detained me as I passed before the throne to pay the usual respects and informed me in a whisper that he had decided that the White representative should arrive here the latter part of December. I asked him to name a date but he said that the latter part of December was definite enough. I suggested the 20th, the 25th, or the 30th, and he said that any of them would do. I have accordingly cabled that arrival should be at any time during the last ten days of the month. His Majesty's purpose in not naming any one date was, of course, to give himself a possible loop hole, so dear to Ethiopian method, for the probable delay of a few days one way or the other in calling the conference.

Later on at the function of today I was approached by His Majesty's Minister of Foreign Affairs who inquired whether I had yet received the King's message as to the time of the conference and this officer repeated in substance what I had already been told by Tafari.

Yesterday as I left the King's Palace I met my British colleague in his car enroute to an audience. This morning I asked him if the King had told him of the conference decision. He replied that he had not, that he had been to the Palace to deliver another present from King George and that the Tsana matter had not been mentioned until the end of the audience when he asked Tafari if there was any news.

The

The King answered, somewhat curtly my British colleague thought, that there was no news and that when there was he would be sent for. This is not particularly significant excepting that it is possibly another Ethiopian way of indicating to the British Legation that it does not hold high place in the King's esteem. The new British Minister has been so unfortunate as unconsciously to rub many Ethiopians the wrong way since his arrival. He has spent his entire career in China and holds somewhat the same patronizing attitude towards the Ethiopians as I have personally observed the British to hold towards the Chinese and other Orientals. The Ethiopians do not, of course, accept the position of relative inferiority in which the British often appear to place Orientals in general. The Ethiopians are a distinctly vain and proud people and probably secretly consider themselves superior, if anything, to the white foreigner.

I think my British colleague is learning but he has already created enough irritation to require a considerable time to overcome entirely.

It has seemed desirable to place my British colleague confidentially in possession of the information given me by the King as to his decision to hold the conference. We both anticipate that the King will in a few days call him for the purpose of communicating the news. The King in informing this Legation has, of course, acted on the

original

original statement of my colleague that a conference was desired by the British Government and would be accepted when indicated.

The King did tell me at the audience of yesterday that the British Legation had already agreed to have the Sudan Government delegates here at any time for a conference, and this statement was doubtless based upon the discussion had at the initial audience he gave the British Minister on August 9th, 1929. As soon as the King now calls my colleague to inform him officially of the decision for the conference a telegraphic report will be made to the Department. However, any delay in such calling would not seem to affect the validity of the decision communicated by His Majesty to this Legation, as the communication was direct and definite. The King's communications in such matters are usually oral, as in the present instance, and practically never are written. I have learned from my own previous experience in the country, and from my present colleagues, that the King resents being asked to confirm oral statements in writing. So far as my own experience goes he has never broken his word when it has once been definitely given. His Majesty often tries very hard not to commit himself and to satisfy one with a skillfully evasive reply, but a definite word once given has always been adhered to so far as I can learn.

It should perhaps also be recorded that the King did

make

make a point of telling me that he had with purpose informed this Legation first of his decision for the conference, although he said nothing to indicate that he would unduly delay telling the British Legation.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

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AE

LEGATION OF THE
UNITED STATES OF AMERICA
Addis Ababa,
Abyssinia,

September 25th, 1929.

~~CONFIDENTIAL.~~

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald J. Heise, archivist
Date 9-28-59

884.6461-Tsana dam

No. 269.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor hereby to confirm the Legation's telegram of this date reporting that King Tafari had finally notified my British Colleague of his decision and call for the tri-partite conference on the Lake Tsana project to begin in Addis Ababa the last of December.

The British Minister was asked by the King to arrange to have the representatives of the Sudan Government arrive here "the last part of December" and was no more definite as to date than in his communication to me as reported in the Legation's No. 267 of September 20th, 1929.

The circumstance that the King has taken the trouble during the last and most intensive days of Maskal preparation

preparation to see both the British Minister and myself may be accepted as indication of his more lively interest in the Tsana project. This Legation has, of course, worked persistently but tactfully to enliven his interest. There are, however, believed to be other favorable influences arising in the present situation of internal politics. These influences are not yet clarified. The British could have had no influence in the matter because the King would do nothing to please them if he could reasonably avoid it. The most recent instance of His Majesty's usual and studied disregard of the British is his delay of some days in telling my British colleague of his decision for the conference whereas he could easily and most conveniently have informed the British representative on the same day that I received the decision - see Pages two and three of the Legation's No. 267 of September 20th, 1929. 124

I have the honor to be, Sir,

Your obedient servant,

Four copies
Received 11 A.M.

ADDISON E. SOUTHARD.

THE J.G.WHITE ENGINEERING CORPORATION

ENGINEERS AND CONSTRUCTORS

43 EXCHANGE PLACE

NEW YORK

ASSOCIATES

J. G. WHITE AND COMPANY, INC.

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CABLE ADDRESS

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DEPARTMENT OF STATE

NOV 13 1929

DIVISION OF

NEAR EASTERN AFFAIRS

Index Bureau

RECEIVED

NOV 12 1929

Dept. of State

November 9, 1929.

Mr. G. Howland Shaw,
State Department,
Washington, D.C.

November 12. 1929
sent duplicate
to Addis Ababa
11 1/2 pm

My dear Mr. Shaw:

Will you be good enough to have the following cable sent through to Mr. Southard at our expense?

"Traveling alone but prefer two rooms renovated our expense Many thanks."

The reference in the cable is to quarters which Mr. Southard can secure for me on my next trip to Abyssinia.

I am planning to leave here on November 30th in S.S. Homeric.

I arrived home yesterday and Mr. Dunn will be in on the 15th. Our visit was very satisfactory and he will no doubt give you details. He can tell you of our meetings in his way better than I can, but if for any reason you should desire any information in advance of his return, allow us to accept a telephone call and I will be glad to talk with you.

Very cordially yours,

Henry A. Lardner

Henry A. Lardner
Vice-President.

884.6461-Tsana Dam/128

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NOV 13 1929 G

November 12, 1929

In reply refer to
NE

Mr. Henry A. Lardner,
Vice President, The J. G. White Engineering Corporation,
43 Exchange Place,
New York City.

S i r:

I have received from Mr. Shaw your letter of November 9, 1929 requesting that he send through the Department a quoted message from you to Mr. Southard. In accordance with your desire the message has been duly forwarded.

Upon Mr. Dunn's arrival we shall look forward with pleasure to hearing the details of the London meetings.

Very truly yours,

For the Secretary of State:

Wallace Murray
Chief, Division of Near Eastern Affairs

WSM/LVD
NE PH LVD

CR
Nov. 12, 1929 P4

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Washington,

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The J.G.White Engineering Corp.,
43 Exchange Place
New York City

NOV 12 29

November 11, 1929

3P

AMLEGATION

ADDIS ABABA (ETHIOPIA)

43

Following from Lardner: QUOTE Traveling alone but prefer two rooms renovated our expense. Many thanks. ENDQUOTE.

Stimson

NE PHA/LVD

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NOV 14 192

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CB
Nov. 11 1929 PM

BILL

NOV 14 19

BUREAU OF ACCOUNTS.

NOV 12 29

PM SENT

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Index Bu.—No. 50.

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884.6461 - Tsana Dam //

8 f

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Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Meiss, Archivist
Date 9-18-59

KLP

London

TELEGRAM RECEIVED

Dated November 13, 1929.

This telegram must be closely paraphrased before being communicated to anyone.

Rec'd. 1:05 p.m.

FROM

Index Bureau
RECEIVED
NOV 13 1929
Dept. of State

DEPARTMENT OF STATE
NOV 13 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Secretary of State,

Washington, D. C.

324, November 13, 5 p.m.

FOR SHAW. Your letter October 11th.

Dunn has been in London but not communicated with Embassy.

Under date of November 11th TIMES correspondent Cairo telegraphs probability that Abyssinian Government will discuss questions relating to Tsana Dam at Addis Ababa early in the new year with McGregor, irrigation officer to the Sudan Government.

ATHERTON

WSB

JHB

FILED
APR 3 1931

INDEX BUREAU
884.6461-Tsana Dam/129

DOCUMENT FILE

NOTE

SEE 093.512/232 FOR despatch #252

FROM Abyssinia (Southard) DATED Oct.26,1929.
TO NAME

1—1127

REGARDING:

For reasons unknown to the American Legation at Addis Ababa, Ato Fasika, son-in-law of King Tafari, is reputed to be quite unfriendly to American interests, and particularly to the Tsana Dam ambitions of the White Engineering Corporation.

INDEX BUREAU

884.6461 Tsana Dam/130

EMC

DOCUMENT FILE

NOTE

SEE 848x.001/1 FOR Despatch #283

FROM Abyssinia (Southard) DATED Oct.30,1929
TO NAME

1—1127

REGARDING: Offer to Ethiopians under new conditions of port of Zeila in British Somaliland, by Governor of British Somaliland. Revival of gossip that this offer will be linked with Ethiopian concessions to British in connection with Lake Tsana. Its value as an inducement in connection with Lake Tsana arrangement.

rp

rp

INDEXED
884.6461 - Tsana Dam/131

Among the rumors in connection with Sir Harold's visit is the one that he is authorized to offer again to

to the Ethiopians, and under new conditions, the port of Zeila in British Somaliland. Old gossip, previously reported from this office, has been revived to the effect that the offer of Zeila will be linked up with Ethiopian concessions to the British in connection with Lake Tsana. I have asked Sir Harold in a friendly and somewhat indirect way what connection his visit has with an offer of the port of Zeila. He has replied that the matter might be mentioned by the Ethiopians but that he did not think any definite action was contemplated. In other words he made a polite and friendly reply which conveyed nothing definite, but which still leaves room for certain obvious conjectures if there is taken into consideration the persistent local gossip on the subject. It is quite conceivable that Governor Kittermaster's instructions are such that he can make neither definite admission nor definite denial in the Zeila matter.

There are many reasons why the British Government might consider giving Zeila to the Ethiopians for use as a port. Its original value as an inducement in connection with the Lake Tsana arrangement would seem no longer to exist should the Ethiopians keep faith with the J. G. White Engineering Corporation. It still has, however, great value as a means of developing British Somaliland as an entrepot for Ethiopian sea-borne trade. More than three fourths of all Ethiopian foreign trade at present passes in and out of Djibouti in French Somaliland. Both the British and Italians, as the two others

others of the three powers with leading interest in Ethiopia, have found a handicap to their own trade in having to use the French port. The Italians have made a gesture for relief from the situation by the treaty and convention of August 2nd, 1928, which gives the Ethiopians a free zone in the port of Assab. Those who follow international rivalry in Ethiopia are agreed that the next logical step is British action tending to create their own trade road into Ethiopia from the northeast. British Somaliland is a desert area which has some promise for development as a base for trade with the adjoining Ethiopian highlands. To attract the development trade facilities must be provided. The granting of a British Somaliland port, or a free zone therein, to the Ethiopians would bring about such facilities. There are three ports in the Protectorate of which Zeila could easily be spared.

In addition to the desired special benefits to British Somaliland development the British Government needs in other respects to do something to meet or rival the Italian move for Ethiopian favor which is represented by the cession of the free zone at the port of Assab. Some arrangement for the Ethiopian use of Zeila would seem the most logical and, indeed, the only practical step in that connection.

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

FP

Mr. Shaw —

Sir Sure yr will
be interested in this —
will yr please let
me know whether in
the past yr covered
in any way Mr. Dunn
any information from
such despatches?

EGATION OF THE
D STATES OF AMERICA

Addis Ababa,
Ethiopia.

November 21st, 1929.

DEPARTMENT OF STATE
DEC 23 1929
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU

- CHIEF Yes No
To
In U. S. F

AM 1 DEC 23 1929 No. 291

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 196 of May 17th, 1929, which was written mainly in connection with the offer of Italian official assistance to Mr. Henry A. Lardner of the White Engineering Corporation in his negotiations here (May-June, 1929) with the Ethiopian Government about the proposed Tsana Dam.

Both my British Colleague (Chargé d'Affaires Robert H. Dunbar) and I at that time thought it advisable not to connect the Italian Legation officially with the negotiations, although the Italians were more than eager to be so connected. I have lately been told in strict confidence

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APR 3 1931

884.6461-Tsana Dam/132

90

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

WSM

1/15/29

You may want to consider the advisability of passing on the contents of the first four paragraphs and of the last paragraph to Mr. Dunn.

AE

EGATION OF THE
D STATES OF AMERICA

Addis Ababa,
Ethiopia.

November 21st, 1929.

DEPARTMENT OF STATE
DEC 2 1929
DIVISION OF
NEAR EASTERN AFFAIRS

INDEXED
No. 291.

DEC 2

AM

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 196 of May 17th, 1929, which was written mainly in connection with the offer of Italian official assistance to Mr. Henry A. Lardner of the White Engineering Corporation in his negotiations here (May-June, 1929) with the Ethiopian Government about the proposed Tsana Dam.

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884.6461-Tsana Dam/132

90

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

November 21st, 1929.

CLASSIFICATION CANCELED
Authority: letter 1-8-58
W. H. Anderson, State Dept.
By Ronald L. Heine, Archivist
Date 9-28-59

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DEPARTMENT OF STATE
DEC 24 1929
DIVISION OF
NEAR EASTERN AFFAIRS

FOR DISTRIBUTION - C... Yes No
To ...
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RECEIVED
DEC 23 1929
No. 291.

The Honorable

The Secretary of State,

Washington.

Sir:

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APR 3 1931

INDEX BUREAU

884.6461-Tsana Dam/132

90

fidence by Mr. Dunbar, who has now resumed his position as First Secretary of the British Legation, that he has learned from the British Foreign Office that our Italian colleague complained to the Italian Foreign Office that Dunbar had not kept him intimately informed of the Tsana negotiations and had not consulted him as to the steps which had best be taken! The Italians complained that such comparative aloofness violated at least the spirit of the Anglo-Italian Agreement of 1925.

The present British Minister, Sir Sidney Barton, is evidently not going to risk the same criticism as he consults with and confides freely in the Italian Minister. My Italian colleague was promptly informed from the British Legation as soon as the King gave notification of his decision for the Anglo-American-Ethiopian conference now approaching, and is accordingly much pleased with himself.

As one result of this close Anglo-Italian relation there has inevitably arisen much local gossip. Such gossip may amount to nothing but it may on the other hand show a trend of possible future development. Among the more interesting and plausible bits of the gossip is that the local British and Italian Ministers have agreed that the Americans would, as usual, ask much more than any one else as the cost of building the dam and that the Ethiopians on the basis of such high costs would demand much higher water rentals from the British. Accordingly, so the gossip continues,

the

the British will in the conference elicit the American idea of cost, will convince the Ethiopians that such is far too high, and will then give the Italians their cue to come through with an offer to do the work for just one half of whatever the American estimate may be. The deficit would be met by the Italian Government. This would resemble the Italian method followed in the Ethiopian radio installation contract discussed in various Consular Despatches from this office, and particularly in Consular No. 72 of ~~March~~ April 2nd, 1929. On the other hand this Legation does not see how the King can in good faith permit any other than the White Corporation to undertake the dam construction in view of his letter to President Gano Dunn of which copy was transmitted with the Legation's No. 211 of June 21st, 1929.

884.74/6

95

This Legation has continued by discussion with the King and otherwise to create a favorable atmosphere for the desired outcome of the conference to take place in a few weeks, and is much inclined to the conviction that favorable results may be expected if the British fully play the game. From all that can be seen and understood at present any possible failure of the conference will be caused by British deviation from the spirit — although they undoubtedly will adhere to the letter — of their agreement to let the Ethiopians enter into working arrangement with the White Engineering Corporation.' The new British Minister, Sir Sidney Barton, is an intensely ambitious man. He has just

come

come from the Consular branch of the British service and is obviously determined to make a great reputation here leading to future higher Diplomatic assignment. There are many indications that he thinks he can so ingratiate himself with the Ethiopians as to move them to favor any British enterprise which he may later present. To this end the British Legation is offering continuous and elaborate entertainment to all Ethiopian officialdom, and is courting officials in key positions in a manner that is much more servile than dignified. In view of the inherent, ingrained, and intensive Ethiopian distrust and suspicion of British policy in this part of Africa the evident ambition and possible belief of Sir Sidney Barton in the matter of winning Ethiopian favor can only be described as fatuous by those who know the country and its people.

In his present state of mind and activity my British colleague is thought to feel that if he could nullify potential results of the coming conference, and still let it appear that he had adhered to the letter at least of the British agreement for cooperation as understood by the White Corporation, he could later obtain a reconsideration from the Ethiopians of the British ambition to construct the dam themselves. Such would, of course, be a really great personal accomplishment by him and would without doubt bring that future Diplomatic preferment for which he yearns and

works

works unceasingly. He is man of more than average intelligence and astuteness, excepting in his belief as a newcomer here that he can win Ethiopian love and trust in British policy, and may be expected to work accordingly. However, I have been and am still making a mighty effort to trust and believe in the integrity of announced British cooperation in connection with American participation in the Tsana Dam project.

No further tangible information has come to the Legation concerning the conference which occurred with King Tafari in connection with the recent visit here of the Governor of the British Somaliland Protectorate, as reported in the Legation's No. 283 of October 30th, 1929, and which undoubtedly touched upon the Tsana question. From my many years of firsthand contact with and observation of British devotion to their ambitions in the Far and Near East I must think probable that they can yet hardly have exhausted their resources and tenacity in a matter so highly important to them as is this Tsana Dam. The next few months will show. It has lately been intimated to me from Ethiopian sources that the King eliminated Doctor W. C. Martin from the Tsana affair because of his suspicion that the affable doctor was playing too closely with the local British Legation.

848X.001/1

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

4 Carbon Copies

Received

AE
AE

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

December 9th, 1929.

INDEX BUREAU
DEPT OF STATE
JAN - 7 30

FOR DISTRIBUTION -
A.

884.6461- Tsana Dam/133

No. 303.

DEPARTMENT OF STATE
JAN -7 1930
DIVISION OF
NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the general subject of negotiations for the Tsana Dam in Ethiopia.

My British colleague has just informed me that the Anglo-Sudan interests at the coming January conference will be represented by Mr. R. M. MacGregor, engineer and adviser to the Sudan Government on irrigation matters. It is understood that Mr. MacGregor will at Port Said join the ship on which Mr. Henry A. Lardner, Vice President of the J. G. White Engineering Corporation, is travelling, and which is scheduled to arrive at Djibouti on or about December 23rd,

FILED
APR 3 1931

23rd, 1929. The two representatives should reach Addis Ababa on the evening of December 27th.

Two days ago I had an audience with King Tafari to discuss the Tsana matter and His Majesty seemed still to be much interested and as of the intention to proceed with the negotiations in a spirit of compromise for any conflicting views which may arise. His Majesty again intimated to me his opinion that the success of the negotiations depended mainly upon British willingness to meet him and the White Corporation representative at least half way in approaching an agreement.

I am further informed by my British colleague that he will have here to assist in the negotiations Major R. E. Cheeseman, an officer of the Sudan service who for the last few years has been detailed as British Consul for the Gondar area (including Lake Tsana) in Ethiopia. Major Cheeseman has extensively explored the lake and its environs and has traversed the length of the Blue Nile Canyon from where it leaves the lake to through and over the frontier into the Sudan. He informs this Legation that he has followed the course of the Blue Nile as it winds through Ethiopian territory into the Sudan for the distance of more than a thousand miles. He was in Addis Ababa last spring en route to England on leave and is now about to arrive here from London on his return trip.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

DOCUMENT FILE

NOTE

INDEX BUREAU
884.646 TSANA DAM/134

SEE 123 So 8/201 FOR #391

FROM Addis Ababa (Southard) DATED Dec.7-29

TO NAME

REGARDING:

It is noted that I shall not avail myself of the leave until after completion of the Tsana Dam Conference which is expected to begin about January 1st, 1930

T

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

December 27th, 1929.

Assistant Secretary
of State
FEB 3 - 1930
MR. CASTLE

JAN 31 20

INDEX BUREAU
894.6461-Tsana Dam/135

No. 313.

The Honorable

The Secretary of State,

Washington.

Sir:

5-4.0011/8

I have the honor to refer to the Legation's No. 308 reporting the death of the Dedjazmatch Wolde Selassie and indicating that should King Tafari observe the usual forty day period of mourning the progress of official business would be considerably delayed. This thought of possible delay arose mainly in connection with our Tsana Dam conference which is scheduled to begin within the next few days.

Today, however, I learn from the Ethiopian Minister of Foreign Affairs that the King expected in another two or three days to resume the consideration of at least the more important items of pending official business.

While

APR 3 1931
FILED

While there will undoubtedly be some delay in the pending Tsana conference the outlook in that connection is now much brighter than it was a few days ago.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

December 28th, 1929.

Assistant Secretary of State
FEB 1 - 1930

INDEX BUREAU
884.6461/136

No. 314.

DEPARTMENT OF STATE
JAN 31 1930
DIVISION OF NEAR EASTERN AFFAIRS

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report the arrival, by the three-day train of last night from the coast, of Vice President Henry A. Lardner of the J. G. White Engineering Corporation, New York City, who has come to Addis Ababa for the Anglo-American-Ethiopian conference on the Lake Tsana Dam called by His Majesty, King Tafari.

With Mr. Lardner also arrived Mr. R. M. MacGregor, irrigation engineer and expert of the Sudan Government, who will join in the Lake Tsana Dam conference.

The exact date of the first meeting is yet more or less indefinite owing to the period of mourning on account of his uncle's death which now engages the King.

FILED
APR 3 1931

King. The Legation hopes, however, to get at least a first meeting for the delegates with the King within the next two weeks.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

884.71240/-7 Bound.
(4745)

No.52 Consular.

DEPARTMENT OF STATE,
MAY 12 1911
DIVISION OF
NEAR EASTERN AFFAIRS.

MAY 6 191 DEPT. OF STATE

AMERICAN CONSULATE GENERAL.

ADIS ABABA, ABYSSINIA, APRIL 4,1911.

SUBJECT:

Discontinuation of Anglo-Italian Postal Service.

ABSTRACT:

Reports discontinuation of private courier service _ Present condition of Ethiopian post more favorable, etc.

INDEX BUREAU
884.7124

Ans
May 12/11
File

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Sir:

I have the honor to report that I am informed by the Honorable Wilfred Thesiger, British Minister to Abyssinia, that after the expiration of the present quarter, ending June 30,1911, the private courier service which has for several years been maintained by the British and Italian Governments between Adis Ababa and Aden, Arabia, will be discontinued.

The service has always been subscribed to by, the Bank of Abyssinia, and all Governments represented here, with the exception of the French, and the present action is due to the recent withdrawal therefrom by the Bank of Abyssinia, the German Legation and the contemplated withdrawal of the Russian Legation, all of whom are adopting the Ethiopian post, and thereby rendering the private service too expensive to continue.

The British and Italian Legations are contemplating sending a special courier on foot to Dire Dawa and thence to Aden, but carrying confidential despatches only, the

greater

greater part of their mail being carried,to and from the coast,by the Ethiopian post, thereby greatly reducing the cost. The British Minister informs me that should the combined mail of the British and Italian Legations form a sufficiently small package, this office would be admitted, if such was desired, and at probably a much reduced rate than that paid at present, 40.M.T. Thalers($17.76 American) per month. I will,however, await the Instructions of the Department before making any definite arrangements after the termination of this quarter, if the same may be possible.

I beg to state that according to new postal arrangements from Europe to the east coast of Africa, which have recently come to my notice, mail bags will be made up in England and France and sent direct to Jibuti, French-Somaliland, thereby not touching Aden, Arabia, and mail would necessarily reach Adis Ababa by the Ethiopian post, unless addressed care of the Postmaster, Aden, while much mail thus addressed by the Department has arrived by the native post.

Referring to despatch No.40(Diplomatic series)from this office of September 14,1909, in which Mr.Philip reports that in his opinion the Ethiopian postal service, being under French direction, would answer the official requirements of this office and states that it would be desirable to discontinue the subscription to the special service _ I beg to state that there has been considerable improvement in this service since that date. Their couriers arrive at Adis Ababa on Friday morning of each week and depart on the evening of the following day, and during the past year have not arrived more than one day late even during the rainy season, while the special couriers require two days longer during the dry weather

and

and often six days longer in wet weather.

I beg to state that nearly one half of the mail coming to this office is at present received through the Ethiopian post.

I have the honor to be, Sir,

Your obedient servant,

Guy A. Lee.

Vice Consul General.

No. 35

May 12, 1911.

Guy R. Love, Esquire,

American Vice Consul General,

Adis Ababa, Abyssinia.

Sir:

The Department has received your despatch No. 52 of April 4, 1911, reporting the proposed discontinuance of the Anglo-Italian postal service at the end of the present quarter.

In view of the facts set forth in your despatch, the Department sees no objection to your utilizing the Ethiopian post after July 1st next.

Should you have occasion to forward despatches of a particularly confidential nature to the Department, there is no objection to forwarding such packages by the courier who is to be employed by the British and Italian Legations provided such an arrangement can be made.

I am, Sir,

Your obedient servant,

For Mr. Knox:

WILBUR J. CARR.

884.712/8
J/D ACH

A true copy of the signed original.

884.712/8

DEPARTMENT OF STATE,
JAN 16 1912
DIVISION OF
NEAR EASTERN AFFAIRS.

Mail Room

6/04211/488

No.63.

CONSULAR BUREAU
JAN 17 1912
DEPT. OF STATE.

AMERICAN CONSULATE-GENERAL,

ADIS ABABA, ABYSSINIA, DECEMBER 9,1911.

FILED
JAN 23 1912

SUBJECT: Discontinuation of Anglo-Italian Postal Service.

To Postoffice
13 JAN 19 1912

FILE, U. E. S.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

Referring to the Department's Instruction No.35 of May 12, and my despatch No.52 of April 4, relative to the proposed discontinuation of the Anglo-Italian postal service between Adis Ababa and Aden, Arabia, I beg to report that owing to existing transport contracts the same was continued to October 31.

Temporary arrangements have been made for a fortnightly courier service to and from Aden, for official mail only, by the British and Italian Legations, but as the courier will be travelling alone and on foot through an ungoverned country(the Danakil desert) I have not as yet made arrangements for subscription to the same, also owing to the fact that small private bags will be necessary to be made up at the American Consulate

at

at Aden every two weeks.

I beg to state that I am informed by the British Charge'd'Affaires here that, while the present arrangement may continue for some time if satisfactory, he does not regard the same as of any advantage over the Ethiopian postal service.

I beg to state that I will report further to the Department if more satisfactory arrangements are made and in the meantime will forward official mail by the Ethiopian post.

I have the honor to be, Sir,

Your obedient servant,

Guy R. Lee.

Vice Consul General.

January 19, 1912.

884.71240/9

The Secretary of State presents his compliments to The Honorable the Postmaster General, and has the honor to enclose as of possible interest a copy of a despatch from the Vice Consul General at Adis Ababa, Abyssinia, on the subject of the discontinuance of the Anglo-Italian postal service between Adis Ababa and Aden, Arabia.

Enclosure:

From Adis Ababa, No. 63, December 9, 1911.

884.71240/9
81 HCH
WJC



.71594

CONSULAR BUREAU, MAY 16 1918 DEPT. OF STATE.

DIVISION OF FAR EASTERN AFFAIRS MAY 15 1918

FE
Co

No. 168.

INDEX BUREAU MAY 11 1918 DEPT OF STATE

AMERICAN CONSULATE.

Aden, Arabia, March 22, 1918.

SUBJECT: Parcel Post From Japan to Abyssinia.

A3 MAY 25 1918 CES

TA

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

INDEX BUREAU 894.71594

SIR:

I have the honor to report that a merchant doing business in Abyssinia has informed me that he recently received a shipment of merchandise by parcel post from Japan. This merchant's agent in Kobe informs him that Japan has recently completed a parcel post arrangement with Abyssinia.

FILED MAY 27 1918

As Japan is not known to have either an official representative in Abyssinia, or a commercial treaty with that country, it is considered probable that any parcel post arrangement which exists was made through British or French representatives. I am now proceeding to obtain, if possible, from correspondents in Jibuti and Adis Abeba official confirmation of this reported parcel post arrangement. As the Abyssinian postal service is in charge of French employees, and is considered to be more or less under the direction of the French postal officials at Jibuti, French Somaliland, it would seem probable that any arrangement made for parcel post would be through the French government.

During

During the past eighteen months Japanese exporters have been prospecting the Abyssinian market and have sent considerable quantities of goods into that country. Some American goods, principally unbleached cottons, have been largely replaced by Japanese goods.

Since the weakening of European competition on account of the war, the opportunities for permanently enlarging the trade in American goods in the Abyssinian market have been excellent. These opportunities have for the same reason been open to Japanese trade and Japanese exporters have apparently been much more active than American exporters in developing them.

Owing to the comparative remoteness of the market, and the high cost and scarcity of shipping facilities, a parcel post arrangement is of decided advantage not only for the merchandise which could thus be sent into the country for actual sale, but for the sending in of merchandise samples which would probably lead to the placing of large freight orders. If the Japanese have made a parcel post arrangement -- and it would seem to be giving due credit to their business activity and judgment to believe that they have at least had such an arrangement in mind -- it would appear to be a fact of special significance to the status of American trade in Abyssinia; particularly that the United States, so far as this Consulate is aware, has no parcel post arrangement of its own with that country. In the opinion of the undersigned a parcel post arrangement between the United States and Abyssinia is especially desirable,

and

and the subject is discussed in some detail on page 122 of this Consulate's report on Abyssinia, submitted under date of January 2, 1918.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 871.5.

DOCUMENT FILE

NOTE

SEE 884.6461/59 FOR #99

FROM Abyssinia (Southard) DATED Nov 16, 1928
TO NAME

REGARDING:

German firms endeavoring to get a hand in the Tsana Dam Project with the Americans by offering a radio project in Abyssinia as a blind.

DEPARTMENT OF STATE
884.74
1—1127 GPO

b

Addis Ababa,
Ethiopia, November 16th, 1928.

No. 99.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to advert to my Diplomatic Despatch No. 24 of May 5th, 1928, on pages 7 and 8 of which I mention German interest in the Lake Tsana Dam and refer particularly in that connection to the Berlin firm of Steffen and Heymann.

There has lately come to the attention of this Legation an article published in the German KOLNISCHE ZEITUNG of July 8th, 1928, in which considerable additional light is thrown on German interest in the Tsana matter. A translation from the German of this article has now been made and is enclosed herewith.

The

The author of this article is personally known to me as a man well acquainted with Ethiopia and general conditions here. Although known as the leader of scientific expeditions he was reputed to be also in the employ of the German Government. A few weeks ago I heard indirectly from him that he would soon be in Ethiopia with another expedition to the province of Kaffa.

I have also heard indirectly from Major Hans Steffen of the firm of Steffen and Heymann that he, too, would be in Ethiopia this winter. This same Steffen has, I understand, approached the American Trade Commissioner in Berlin for a contact with an American firm which would like to participate with his organization in a radio installation wanted by the Ethiopian Government. The Berlin Trade Commissioner has passed the matter on as a trade opportunity to the Paris office of the Radio Corporation of America.

The latter organization has written to this office and has been informed of my opinion that no such trade opportunity exists at present. As stated in my Despatch No. 24 of May 5th, 1928, I had heard that Major Steffen proposed to present the Ethiopian Government with a radio installation. This offer, to the best of my knowledge and belief, was intended as a bribe to influence favor with the Ethiopian

Government

Government for the German ambition to participate in the Tsana Dam.

From the best sources of information available to me here, and I believe them to be good, the Ethiopian Government does not seriously consider the purchase of important radio equipment at this time. Major Steffen has perhaps insisted that he be permitted to make a proposal for such installation to which the Ethiopian Government may have consented <u>without obligation</u> on its part. However, this has been sufficient for Major Steffen to approach the American Trade Commissioner at Berlin for contact with an American company on the radio proposition. This, according to Steffen's reasoning as it appears to me from personal acquaintance with him, should provide the bait to induce negotiations with American interests under cover of which can perhaps be advanced the main German objective of proposal for participation in the Tsana Dam enterprise.

Certainly the Germans are well able to take care entirely from their own resources of any order obtained for radio installation. Why would they invite American participation here? One reason is indicated in the preceding paragraph. Another possible reason is that they realize the superior American prestige in this country and would like to count on American official

support

support as represented by this Legation.

The conclusion is evident that German interests are determined in some way or other to gain a foothold in Ethiopian economic development and they appear to see American partnership in the Tsana Dam as one opportunity. I am somewhat surprised, however, that they do not appear to realise that the Tsana Dam may never be constructed; that the seriousness of the Ethiopian Government's intentions in the matter has to date been doubtful and remains yet to be demonstrated.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. ROOTHARD.

1 Enclosure.

File No. 860.
AES/sfd.

A true copy of the signed original.

Enclosure.

(From the KOLNISCHE ZEITUNG No. 370, July 8, 1928).

--oOo--

THE TSANA LAKE PROBLEM.

By Max Gruhl

(Leader of the German Nile, Rudolph Lake, and Kaffa Expedition of 1926-26, and the German Ethiopian Expedition of 1927-28.)

---oOo---

Abyssinia has always been one of the most interesting countries of north-east Africa. This situation is brought about by the fact that in Abyssinia are found the source and tributaries of the Blue Nile, which are strikingly important in connection with the irrigation of the Sudan and Egypt. In view of the possibility of injuring the agricultural activity in the Sudan through a throttling of the waters of Lake Tsana lying in Abyssinian territory, Abyssinia occupies a similar position to that held by Morocco in earlier times and becomes a country of importance in relation to world politics. For not only England, who today holds sway in the territory of the Sudan as well as in Egypt, is casting an eager eye in the direction of Abyssinia, but also France, and especially Italy, both of whom are endeavoring to gain interests of the utmost importance there. These two countries, one on the Somali coast from Tadjura to Djibouti and the other in northern Eritrea and southern Somaliland, are bordering colonial powers of the Empire of the "King of Kings," as the Abyssinian rulers call themselves.

Aware of the importance of Tsana Lake for its purposes in the Sudan and in Egypt, England has repeatedly sought to gain influence in the determining of activity on this Abyssinian inland sea, which is nearly twelve times as large as Bodensee. With this idea in view England concluded a treaty on May 15th, 1902, with Menelek II, through the British Minister, Harrington. The third and most important article of that treaty is as follows:

> His Majesty, Emperor Menelek II, King of Kings of Ethiopia, pledges himself to the British Government not to conduct, or allow to be conducted, work of any nature on the Blue Nile, Lake Tsana or on the Sobat, which would arrest the flow of said waters into the Nile.

On the strength of this arrangement the English have several times endeavored to obtain authority for the regulation of the waters of Lake Tsana and have even attempted to gain control over Lake Tsana itself. This step, however, was finally unsuccessful due to the fact that the other two powers concerned failed to lend their approval

to

to such a move.

In 1925, England and Italy, by evasion of their respective parliaments, concluded a treaty through an exchange of notes from December 14th to 20th of that year between the Foreign Ministers of both countries. This treaty empowered England with authority to build a dam on Lake Tsana and granted Italy the privilege of constructing a railway from Eritrea, through Abyssinia, to Mogadiscio in Italian Somaliland. Neither the one nor the other of the two parties to this agreement consulted the chief interested party, namely Abyssinia, but pledged themselves to support one another until both had realized their aims. Not until 1926 did both parties venture to publish the contents of the notes exchanged between them. England's failure to realize her intentions, through the medium of this treaty, is explained by the fact that Ras Tafari, supported in his action by the public opinion of all countries, filed a protest with Sir Eric Drummond, General Secretary of the League of Nations of which Abyssinia has been a member since 1923. The note is as follows:

> When we were accepted into the Society of the League of Nations, we were told that all countries enjoying membership therein would be treated alike, and that their independence would be respected. We were not told that various members could agree among themselves to force their opinions upon another member.

This worthy, frank, but nevertheless impressive language of the protest note made an unmistakably deep impression on the members of the League; England and Italy, of course, were compelled to gloss matters over by a painful retreat. The practical application of the arrangement of 1925 had become impossible.

I happened to be on my first expedition to the country at this time and it was with the greatest pleasure that I was able to explain to the Minister for Foreign Affairs that the treaty of 1902 between Menelek II and England did not prevent Abyssinia from either building the dam at Lake Tsana itself, or allowing it to be built through a firm of a neutral power, say, by a company in America or Germany both of whom have no political interest in Abyssinia. In this manner, it would be possible to bring English policy before the eyes of the world and take the wind out of their sails as far as their own activity in building the dam was concerned. The above mentioned Article Three of the treaty of 1902 mentions only the hindering of the flow of the waters of Lake Tsana into the Blue Nile. Through the construction of the dam

Abyssinia would not only not hinder the flow of these waters, but, as a matter of fact, would benefit it. Consequently, England cannot competently raise protest on the grounds of the treaty to my suggested method of action by Abyssinia.

That the Abyssinian Government was in accord with my interpretation of the question was evident from the semi-official correspondence of Ethiopia issued by the Government, in the form of a public article, on August 10, 1927, in which it was stated that the construction of a dam by a neutral power would not violate the terms of the treaty of 1902. Then Dr. Martin Workener, a confidant of Ras Tafari, was sent to America in order to negotiate with a construction company with regard to the building of the dam at Lake Tsana, and, at the same time, to discuss a possible re-establishment of an American Legation in Addis Ababa. The White Engineering Company in talking the matter over with Dr. Martin expressed great interest in the proposed construction of the dam. It was presumed, however, that the English Government would consent to such a step, and that leading cotton circles in the Sudan would be willing to have diminished the corresponding amount of water. Such assurance was necessary before American capital could be obtained for such a project. The American Secretary of State, Mr. Kellogg, further explained to Dr. Martin that, although the project appeared to be very attractive, the American Government could be in no way connected with the matter if slaves were to be employed in the construction of the dam. Besides, it was of prime importance that the English Government give its consent to activity of any kind on Lake Tsana by an American firm. Otherwise the Government of the United States would not be interested. With regard to the re-establishment of an American Legation at Addis Ababa, the Secretary of State promised to appoint to this post Consul General A. Southard of Singapore.

The negotiations between America and Abyssinia were known before they had been concluded, due to an indiscretion in the various discussions. There followed such a storm of indignation in England that the two countries decided to forego the continuation of proceedings. The German Lake Tsana project also fell victim to this storm.

In the meantime, I had returned to Germany and had begun to make preparations for a second expedition to Abyssinia, namely, the "German Ethiopian Expedition." The economic section of this expedition also adopted the Lake Tsana problem as part of their program. The work of this group was under the direction of Major Hans Steffan who, as shareholder in a German export firm,

took

took a lively interest in the business affairs of Abyssinia. Since the "German Ethiopian Expedition," led by myself, could not support an economic project, the firm of Steffan and Heymann of Berlin decided to support the entire plan mainly as their own. Our proposal for the solution of the Lake Tsana problem was as follows:

1. The German Ethiopian Expedition 1927-28, which sets out in October of this year for Abyssinia, provided with friendly relations towards Ras Tafari and the Abyssinian Government, and whose Political Economy Group stand under the leadership of Major Steffan, will endeavor to negotiate with the Abyssinian Government with respect to the Lake Tsana problem.

2. Major Steffan will attempt to secure for his firm from the Abyssinian Government the concession for the regulation of Lake Tsana and the drainage of the Nile for a period of 99 years with the right to acquire a time extension.

3. With this concession the firm of Major Steffan in connection with a German-American banking group and construction company will undertake to finance and complete the project.

4. The group will, for a suitable indemnity from the English Government, lease for its disposal the usufruct of the dam with respect to its operations in the Sudan and Egypt. The rental sum and other considerations can be of such a nature that England will receive satisfactory guarantees with respect to the irrigation of the Sudan and Upper Egypt.

For the realization of the above-sketched project the following is of prime importance:

a. The probable consent thereto of the Abyssinian Government.

b. To create interest among the people of Abyssinia by broadcasting the fact that the holder of the concession and the builders of the dam will be German-American.

c. That England will receive a guarantee of full usufruct of the Lake Tsana basin as well as economic advantages for the Sudan and Upper Egypt.

The carrying out of this scheme would, from our point of view, satisfy all parties concerned. (GERMAN ETHIOPIAN EXPEDITION).

On

Enclosure.

On August 17th, 1927, long before the Abyssinian-American negotiations were known, this proposal was handed to the Secretary of Legation, Carnegie, attached to the British Embassy in Berlin, in the absence of the British Ambassador. The Legation Secretary, with a view to expediting the carrying out of our plans, promised to transmit the outline of the proposed project to the Foreign Office in London. A few days later we informed the German Foreign Office of our proposal. The representative of the Foreign Office, privy Councillor Baron von Richthafen, evidenced the keenest interest in our plan and made us promise to let him know as soon as we had received a reply from London. He declared, moreover, that our proposed project was exceedingly interesting, and that the German Foreign Office, of course, had absolutely nothing against it if, by such a scheme, a solution could be arranged which would meet with the approval of England. Besides, we dispatched information with regard to our plans to Ras Tafari so that all parties concerned were informed of our intentions.

The next step necessary to carry out our project was to find a German construction company which would be disposed to take on the work and which was financially strong enough to conclude such a task. We found such a firm in a large German construction company whose director declared that he would take the project in his hands in the event that the British were satisfied with such a proposition. He stated that there would be no difficulty in supplying the necessary amount, which he estimated at somewhere around 90 million marks.

On the 2nd of September a second conference was held in the British Embassy in Berlin. Secretary of Legation, Ingram, representing the Political Division of the British Embassy, was fully instructed with regard to our plan and stated mainly that it would be necessary to wait for some time before an answer from the Foreign Office would be forthcoming. First, the matter must take its customary bureaucratic course; further, at this particular time of the year a large number of Englishmen are away from London on vacation; and besides, the circle of personalities (which by the way is a very wide one) who would probably be called upon to deliberate in this matter, would require weeks of exhaustive preparation. It was suggested that perhaps it would be more practical for one of the interested gentlemen to travel to London and there to discuss the matter personally with Mr. Murray, Chief of the Egyptian, Sudan, and Abyssinian Division of the Foreign Office. This was decided upon in a following meeting at the German Foreign Office, and it was planned to make the trip to England in the middle of September.

I

Enclosure.

I considered it useful to thoroughly familiarize myself with the various features of the development of the German Lake Tsana project in order thereby to point out, on the one hand, that the German Ethiopian Expedition was actually a sincere move on the part of Germany, and on the other hand, to show that the proper English circles were aware of the German proposal. Both of these facts were denied in the press at the time when the discussion of the Abyssinian-American negotiations threw the German scheme aside. Was it impossible for the English at the same time to negotiate on a scheme with Germany? And yet, the building of the dam by Germany would be much more acceptable to the British than if America were alloged to construct it. It is only too well known that England is the strongest competitor of America in the production of cotton. Because the waters of the Blue Nile are principally important for the development of cotton production in the Sudan and in Egypt, England would, in the event that the dam is constructed by America, be setting the fox to keep the geese. Germany who has no interest in cotton production in the Sudan would be more impartial than the Americans. The latter is, as usual, exerting every effort to acquire from Abyssinia a concession to construct the dam. It is important, however, that we too do not lose sight of the project.

---oOo---

Enclosure to Diplomatic Despatch No. 99 of Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia, dated November 16th, 1928, on the subject of German interest in the Tsana Dam matter.

300057 AE

AM RECD

NO. 49.

AMERICAN CONSULATE GENERAL,

Addis Ababa, Ethiopia,

January 4th, 1929.

SUBJECT: Notice of Tender for Radio Installations for Ethiopian Government.

FEB 6 29

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

FOR GUARDED DISSEMINATION ONLY.

FEB 11 1929

FOR GUARDED DISSEMINATION ONLY.

I have the honor to enclose herewith, mainly for the information of the Department, copies of translation of "Notice of Tender" just published by the Ethiopian Government in connection with an alleged desire to purchase and instal radio equipment.

The closing date for submission of tenders under this notice is February 28th, 1929, which would not allow sufficient time for the arrival by mail of tenders from the United States in response to this report. The substance of the notice could, of course, be cabled. Such would, however, involve a heavy expense which does not seem justified in view of doubts as to the sincerity of the notice. The issuance of the notice is persistently gossiped here to be inspired by parties who have already closed a deal for a limited amount of radio equipment. The issuance, under the circumstances, of notice for tenders has an obvious purpose, and is not an unknown practice here.

This office has had confidential intimation from sources considered reasonably reliable that the Ethiopian Government cannot now afford to pay for the amount of equipment

STRICTLY CONFIDENTIAL

ment described. It has had similar intimation that a small part of the proposed installation has already been arranged for through the local Italian Legation on the understanding that the Italian Government will detail naval ratings to Addis Ababa to operate it for a term of years with minimum or negligible expense to the Ethiopians. In this connection it may be stated that a military tank presented last year by the Duke of the Abruzzi to King Tafari is on occasion operated by an Italian soldier attached nominally to the local Italian Legation as chauffeur for the Minister's officially owned automobile.

There is in the last paragraph of the tender beginning "The successful bidder" a condition likely to prove difficult and costly in fulfillment. Should native assistants or workmen be employed in the operation of the installation, or installations, there are certain to result frequent and expensive derangements. On the basis of the preceding paragraph and of these and other minor reasons there appears much doubt whether any American company would at this time be justified in undertaking the trouble and expense of submitting tenders.

Also the successful tenderer, should one develop, will very likely be one with a representative on the ground in a position to stimulate favorable considera-

tion

tion of his proposal by appropriate "presents" to the officials having decision in the matter. This also is an alleged occasional local practice.

Owing to the short time required the limit for submitting tenders will probably be extended unless the Italian arrangement above suggested should prove actually to exist.

However, the Radio Corporation of America will have the opportunity of submitting tenders should such seem to it practicable and worth while. This Legation and Consulate General has for some months been in correspondence with the Paris office of the Corporation and a copy of this "Notice of Tender" has already been mailed directly to Paris with guarded but appropriate comment to assist in evaluating the seriousness of the proposal. This office understands, of course, that normally all American manufacturers are entitled to equal opportunity in trade proposals of this sort, but as the cost of cabling seems unjustified under the circumstances judgment would seem to indicate as the next best step the sending of a copy of the notice to the Paris office of the Radio Corporation which will have time to submit possible tenders by return mail. If this office had information as to European representation of other American manufacturers similar action

STRICTLY CONFIDENTIAL

action would be taken in their interest. There is no such information available here. Knowledge with reference to the Paris representation of the Radio Corporation is available here owing to the enterprise of that concern in having established correspondence with this office.

On the other hand should any company wish, under the circumstances, to offer a tender from the United States it could be telegraphed. Tenders should be in French only.

It is believed that there will be later opportunity for American participation in possible radio development here and in that event this report and enclosure will be of value as information upon which brief and not too costly cabled report may be based.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister and Consul General.

4 Carbon Copies
Received
1 Enclosure.

Enclosure to Consular Despatch No. 49, dated January 4th, 1929, of Addison E. Southard, Minister and Consul General at Addis Ababa, Ethiopia, on the subject of tenders for radio installations in Ethiopia.

NOTICE OF TENDER.

(Translated from BERHANENA SALAM, Year V, No. 1, January 3rd, 1929).

-------oOo-------

The Ethiopian Government, in order to improve and develop foreign relations, has decided to establish an international wireless station.

Having received for this purpose numerous offers established on a greatly variable scale of prices and also of very different equipment, the desire of the Government is to have an installation according to the following details:

1. A complete installation of wireless that will include:

A sending station of 20 to 25 kilowatts for waves of 10 to 15 meters, able to work permanently with Europe: Berlin, London, Paris and Rome.

A complete receiving station permitting the reception from the above stations as well as from America.

2. Installations and equipment of five sending and receiving stations with a range of about 800 kilometers in the interior of the country.

The sum total of the tenders must include:

(a). The price c.i.f. Djibouti of the equipment for all the installation, motors, antennae, lighting appliances, etc.

(b). The voyage and the salaries of the engineers and of the specialized workmen necessary for the erection and for the ensuring of the working of the station, which shall be delivered to the Ethiopian Government after conclusive trials.

The delay for the option of the tender is two months, that is, up to and including February 28th, 1929. After the expiration of this term the tenders

shall

shall not be taken into consideration.

The installation must be completed within six months after the arrival of the equipment in Addis Ababa.

The successful bidder must undertake the good working of the station for two years and must undertake to be responsible for its good working order at his expense during this period, beginning on the day of the installation.

Terms of Payment:

One-third with the order.
One-third upon the arrival of the equipment in Djibouti.
One-third at the completion of the installation and at the starting of the station.

Addis Ababa, December 31st, 1928.

THE MINISTRY OF

POSTS, TELEGRAPHS AND TELEPHONES.

AM RECD
BUREAU
DEPT. OF STATE
MAR 26 29

DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE
DEPARTMENT OF STATE
WASHINGTON
MAR 30 1929
DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
Action requested herein taken.
APR 8 1929
April 10, 1929
A-C/C
ASSISTANT SECRETARY OF STATE

March 28, 1929.

IN REPLY REFER TO 29

DEPARTMENT OF STATE
A-C/C
FILE
1929

Hon. Wilbur J. Carr,
Assistant Secretary of State,
Washington, D. C.

Attention: A[illegible]C.

Dear Mr. Carr:

INDEX BUREAU
884.74/3

884.74/2

I have the Report No. 49, dated January 4, 1929, (300057) sent in by Minister Addison E. Southard, Addis Ababa, Ethiopia. The Minister will be interested in learning that we received a cable from the Berlin Office of this Bureau stating that the firm of Stephen and Heyman was interested in receiving bids of American manufacturers of radio equipment. We approached all those in a position to bid and the only one interested was the Radio Corporation of America, which advised their Paris Office. It is possible that the Radio Corporation of America's bid will be submitted through this German firm.

Very truly yours,

Perry J. Stevenson,
Liaison Officer.

FILED
APR 12 1929 D

April 10, 1929

53

The Honorable

Addison E. Southard,

Minister Resident and Consul General,

Addis Ababa.

Sir:

With reference to your despatch No. 49 of January 4, 1929 concerning a notice of tender for radio installations for the Ethiopian Government there is enclosed a copy of a letter from the Department of Commerce indicating that the information contained in your despatch under reference has been brought to the attention of American concerns and that one of these concerns has shown an interest in the matter.

884.74/4

I am, Sir,

Your obedient servant,

For the Secretary of State:

W. R. CASTLE, JR.

Enclosure:
Copy of letter from
Department of Commerce,
dated March 25, 1929.

884.74/3

NE KC/MNB

CR
APR. 8, 1929

306323

NO. 70.

AMERICAN CONSULATE GENERAL,
Addis Ababa, Ethiopia,

March 25th, 1929.

SUBJECT: Contract for Ethiopian Wireless Installation Awarded to Italian Interests.

1—1221

STRICTLY CONFIDENTIAL

~~CONFIDENTIAL.~~

DEPARTMENT OF STATE
APR 29 1929
DIVISION OF NEAR EASTERN AFFAIRS

FOR DISTRIB...

4

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Copy sent to Commerce APR 30 1929 KC

SIR:

~~STRICTLY CONFIDENTIAL~~ I have the honor to refer to my confidential Consular Despatch No. 49 of January 4th, 1929, enclosing "Notice of Tender" for radio installation for the Ethiopian Government, and intimating a belief that the actual contract had already been secretly assigned to Italian interests.

From an authoritative and confidential source this office now learns that the contract has actually been awarded to an attaché of the local Italian Legation who represents the Italian Marconi interests. My original information that the advertisement for tenders was merely camouflage appears to have been correct.

This office is, however, of the opinion that the contract is not particularly valuable from a commercial viewpoint. There is little evidence that the Ethiopian Government can dispose of at this time even of sufficient money for the one installation in Addis Ababa. The Italians doubtless look upon the contract for its political value and effect and have presumably paid handsomely to bring matters to the present issue.

The

DEPARTMENT OF STATE
APR 30 1929
ASSISTANT SECRETARY OF STATE

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884.74/2

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MAY 9 1929
E

The Legation attaché to whom the contract has nominally been given has been a liaison officer between the Legation and the Ethiopians for more than twenty years. He is stated originally to have come as a sergeant of the Legation Guard. After learning Amharic he was taken on as a clerk-interpreter in the Legation and has served more or less in that capacity for many years. He is among the most skilled and notorious of the many foreign political intriguers in Ethiopia and has been invaluable to the Italian Legation in building up relations with the Ethiopians.

Report will be made of such further details of interest as may develop in this matter.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister and Consul General.

4 Certified Copies

NO. 72.

AM RECD

DEPARTMENT OF STATE
APR 30 1929
DIVISION OF
NEAR EASTERN AFFAIRS

AMERICAN CONSULATE GENERAL,

Addis Ababa, Ethiopia,

April 2nd, 1929.

SUBJECT: Irregularities in Letting Contract for Ethiopian Radio Installations.

1—1221

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

SIR:

~~STRICTLY CONFIDENTIAL.~~

DISTRIBUTION

I have the ~~honor to refer to~~ Consular Despatch No. 70 of March 25th, 1929, from this office, reporting the award to an Italian agent of the contract for certain previously described radio installations required by the Ethiopian Government.

Various other details in this connection have been collected from time to time which will, it is believed, be of interest to the Department from a political as well as a trade promotion viewpoint.

After considerable and somewhat difficult investigation this office learns that bids for the installation were submitted by four French companies, two German companies, and two or more Italian companies. The German bids were from Telefunken, and from the Berlin firm of Steffen and Heymann.

The latter firm, which has been mentioned in various of the Diplomatic despatches from this office, is stated to have represented the Radio Corporation of America. Its local agent approached this office for help on that basis

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MAY 2 1929
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INDEX BUREAU

9/47 4884

basis but was informed that we could not intervene without official instructions from Washington. This was, in the opinion of the writer, merely another one of the several endeavors which the Germans here have made to link up American and German economic interests in Ethiopia, and which would be most inadvisable in the impression likely to be made on the Ethiopians. The local agent of Steffen and Heymann was also told by me that he had no chance to get the contract as it had long since been ear-marked for Italian interests. In this connection please see Consular Despatch No. 49 of January 4th, 1929, from this office.

One Italian bid was presented by the local Italian Minister in person as coming from the Italian Marconi. The other and successful Italian bid was presented in person by Vice Consul Bertolani of the Italian Legation. The interests Bertolani represents have so far been kept secret. It is known that the Italian Marconi bid for the one main station and five subordinate stations amounted to approximately forty thousand pounds sterling and was the highest of all received. The successful Italian or Bertolani bid amounted to about half that amount and was the lowest received. This contrast is also interesting and leads to much speculative thought.

In searching out reasons for this Italian situation I learn from a source apparently authentic that the Bertolani bid is from more or less unimportant Italian

interests

interests which by arrangement with the Italian Government will have the Ethiopian radio installations made by the German Telefunken on reparations account. For that reason the price quoted was more or less nominal and far below any other bid made. For the same reason, and to camouflage the situation reported in Confidential Consular Despatch No. 49 of January 4th, 1929, the Italian Marconi submitted a bid unreasonably high. In further support of this somewhat involved interpretation I have been positively and confidentially informed by my German colleague here that at about the time tenders were asked the representative in Italy of Telefunken was called to the Italian Foreign Office and officially asked to prepare a bid for the work in question.

The Legation and Consulate General has also learned from a source considered authentic that the English Marconi company prepared a bid which was later withdrawn through Italian Marconi influence.

The successful Italian bid is stated to require no initial payment by the Ethiopian Government. Allegedly not a dollar is to be paid until the plant is completed and operating successfully!

My French colleague here is quite indignant over the situation and informs me that he will file a protest on behalf of the four French bidders. I recalled to him that at the time the bids were first asked, over three months ago, I had told him confidentially that I had quite

authentic

authentic information that the contract would go to Italian interests. His own local intelligence service, which is much more costly and extensive than that available to this office, had not been able to confirm my information.

The board which adjudicated, so to speak, the contract was composed of five men, three Ethiopians and two Europeans, not one of whom has any technical knowledge of radio. At least two of the Ethiopians are reputedly notorious grafters. One of the Europeans, a little and docile Frenchman, has for many years been an employee of the Ethiopian Bureau of Posts and Telegraphs. The other European is the somewhat spineless Swiss "legal adviser" to the Ethiopian Government. He is well known to have the one dominating ambition to please the Ethiopians into renewing his soon-to-expire contract after completion of which he may retire in comfort to Switzerland.

Italian activities and methods in Ethiopia have formed the subject for many of the Diplomatic Despatches from this office to which reference may be of interest in connection with the present discussion. This report is made by Consular despatch in the interest of continuity as the original report was a Consular contribution because the subject was then one primarily of trade promotion importance. This office, in its

double-functioning

double-functioning character, sometimes finds the line of division between Diplomatic and Consular reports rather vague.

Any further developments in this matter will be reported as they occur.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.
Minister and Consul General.

4 Carbon Copies
Received

NO. 73.

IN

AVE

INDEXED BUREAU DEPT OF STATE

AMERICAN CONSULATE GENERAL,

Addis Ababa, Ethiopia,

April 3rd, 1929.

SUBJECT: Name of Firm Represented by Italian Bidder for Ethiopian Radio Contract.

1—1221

MAY 9 29

DEPARTMENT OF STATE
MAY 11 1929
DIVISION OF NEAR EASTERN AFFAIRS

File

INDEX BUREAU
884.74/7

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

884.74/6

I have the honor to refer to the strictly confidential Consular Despatch No. 72, of April 2nd, 1929, from this office, recounting various apparent irregularities which occurred in connection with the awarding to an Italian of the contract for the installation on behalf of the Ethiopian Government of a main radio station and five subordinate stations.

The Legation and Consulate General has learned from private sources that the Italian firm represented by Vice Consul Bertolani is Pescio, Montefinale and Company, Turin. This information may be of some interest to the Department in connection with Despatch No. 72. It is understood that the name of this firm did not appear in Mr. Bertolani's tender.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister and Consul General.

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NO. 85.

AM RECD

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DEPARTMENT OF STATE
JUN 25 1929
DIVISION OF
NEAR EASTERN AFFAIRS

AMERICAN CONSULATE GENERAL

Addis Ababa, Ethiopia.

May 27th, 1929.

DEPARTMENT OF STATE
1—1221
JUN 24 29
ASSISTANT SECRETARY OF STATE

SUBJECT: Ethiopian Radio Installation - Interest of Radio Corporation of America.

FOR DISTRIBUTION - CHECK Yes No
To Field
In U. S. A
2 copies to Com
AM
JUN 26 1929

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR:

I have the honor to acknowledge receipt of the Department's Instruction No. 53 of April 10th, 1929, File No. 884.74/3, enclosing copy of letter from the Department of Commerce dated March 25th, 1929, on the subject of the interest, via the Berlin firm of Steffen and Heymann, of the Radio Corporation of America in certain wireless installations planned by the Ethiopian Government.

Reference is respectfully made in this connection to Consular Despatch No. 72 of April 2nd, 1929, from this office, and to various other correspondence of which a recent part is the letter of May 17th, 1929, addressed from here to Henry L. Roosevelt of the Paris office of the Radio Corporation of America. Copies of the letter to Mr. Roosevelt were transmitted to the Department.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD
Minister and Consul General.

884.74/8

INDEX BUREAU

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JUN 27 1929
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AM RECD
INDEX BUREAU

No. 117.

DEPARTMENT OF STATE
NOV -8 1929
DIVISION OF NEAR EASTERN AFFAIRS

AMERICAN CONSULATE GENERAL

Addis Ababa, Ethiopia.

320963

October 1st, 1929.

DEPARTMENT OF STATE
A-O/O
NOV 9 1929
ASSISTANT SECRETARY OF STATE

NOV 8 29

SUBJECT: Installation of Radio Stations for Ethiopian Government Delayed by French and German protests.

THE HONORABLE

THE SECRETARY OF STATE

WASHINGTON.

SIR: Copy sent to Commerce

NOV 11 1929

I have the honor to refer to the series of Consular Despatches from this office, of which the last was Consular No. 85 of May 27th, 1929, discussing the advertising by the Ethiopian Government for bids for the installation of wireless stations, the awarding of the contract to Italian interests, and the various irregularities in connection therewith.

Although there was formal and official announcement of the award of the contract to Italian interests this office now learns confidentially from the local Italian Legation that the Ethiopian Government has never actually signed the contract. In the reports from this office reference was made to the considerable French and German dissatisfaction with the way in which the Italian interests were apparently favored by the Ethiopians in the matter. There were also charges as to irregularities. The French and the Germans both filed protests with the Ethiopian Government and this has been the excuse offered by the Ethiopians for failure actually to sign the contract

CONFIDENTIAL
FILED
NOV 1929

contract to date.

The German protest was later withdrawn by arrangement between the local Italian and German Legations, but the French protest stands. My Italian colleague impugns the stand of the Ethiopian Government in failing to sign the actual contract, particularly after official and formal announcement was made of the acceptance of the bid of the representative of Pescio, Montefinale and Company, of Turin, and says that the real reason of the failure to sign lies in Ethiopian hope of eliciting further financial inducements from the Italians.

The particular purpose of this report is to indicate the international jealousy and the difficulties which frequently attend the transaction of business with the Ethiopian Government. It also demonstrates the soundness of the opinion, expressed by this office in its original despatch forwarding the advertisement for tenders, that in view of probable irregularities there was little to involve the serious interest of potential American bidders. There is also in the affair further illustration of the "cat and dog" relations of French and Italian interests in Ethiopia and of the particular animosity of the French towards Italian pretentions to control the economic development and modernization of the country, all of which in some form or another have formed subject material for various of the Diplomatic Despatches which have been submitted from this office.

It

It is apparent now that the signing of a contract and the actual installation of wireless stations for the Ethiopian Government are indefinitely postponed, unless some hopeful foreign power should earlier than anticipated offer to make the installation for an even more nominal cost than that offered by the Italians to circumvent the French and Germans.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

ADDISON E. SOUTHARD.

Copies
to W. W. & G. from Rome.)

PARTMENT OF STATE

DEC 3 1928

DIVISION OF FOREIGN
SERVICE ADMINISTRATION

SOLICITOR'S OFFICE
NOV 26 1928
DEPARTMENT OF STATE

Assistant Secretary
of State

DEPARTMENT OF STATE
2 1928
DIVISION OF
NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE
NOV 30 1928

Index Bureau
NOV 24 1928

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Done Dec 4 E.F.-

~~A Class Bond~~ Copy to Commerce
Fed Radio Com, Navy & War

NOV 8 01928 AM

December 6 1928

811.74/1

811.701

RADIO LAWS OR REGULATIONS OF FOREIGN COUNTRIES.

(Department's Diplomatic Serial No. 745, August 22nd, 1928, File No. 800.741/42).

----oOo----

Minister & Consul General. .....
(Addison E. Southard).

Addis Ababa, Ethiopia. Date of Preparation: Oct. 22nd, 1928.

Date of Mailing: October 27th, 1928.

----oOo----

FILED
DEC 5 1928

Ethiopia has no present laws or regulations dealing with radio. The installation and development of radio has not heretofore been encouraged. The local German Legation has a receiving station and the local Italian Legation has a station of limited power for both sending and receiving. There has been considerable discussion which will probably lead to an early development of radio in Ethiopia and to the enactment of laws or regulations. Any such developments will be promptly reported to the Department for the benefit of the Federal Radio Commission.

----oOo----

December 4, 1928

In reply refer to
So 884.741/1

The Secretary of State presents his compliments to the Honorable the Secretary of Commerce and has the honor to enclose, for his information, a copy of a report from the American Minister and Consul General at Addis Ababa, from which it appears that there are at present no laws or regulations in force in Ethiopia dealing with radio.

884.741/2

Letters similar to this have been addressed to the other interested Departments and the Federal Radio Commission.

Enclosure:

From Ethiopia,
October 22, 1928.

FA ET:GMH 88

So WRV

December 6, 1928

In reply refer to
So 884.741/1

The Secretary of State presents his compliments to the Honorable the Secretary of the Navy and has the honor to enclose, for his information, a copy of a report from the American Minister and Consul General at Addis Ababa, from which it appears that there are at present no laws or regulations in force in Ethiopia dealing with radio.

Letters similar to this have been addressed to the other interested Departments and the Federal Radio Commission.

Enclosure:

From Ethiopia,
October 22, 1928.

884.741/2

FA ET:GMH 88

So WRV

WRV

CR
Dec 6, 1928

In reply refer to
So 884.741/1

December 6, 1928

The Secretary of State presents his compliments to the Chairman of the Federal Radio Commission and begs to enclose for his information a copy of a report from the American Minister and Consul General at Addis Ababa, from which it appears that there are at present no laws or regulations in force in Ethiopia dealing with radio.

Letters similar to this have been addressed to the interested Departments.

884.741/2

Enclosure:

From Ethiopia,
October 22, 1928.

FA ET:GMH SS

So WRV

WRW

CR

Dec 3, 1928

In reply refer to
So 884.741/1

The Secretary of State presents his compliments to the Honorable the Secretary of War and has the honor to enclose, for his information, a copy of a report from the American Minister and Consul General at Addis Ababa, from which it appears that there are at present no laws or regulations in force in Ethiopia dealing with radio.

Letters similar to this have been addressed to the other interested Departments and the Federal Radio Commission.

884.741/2

Enclosure:

From Ethiopia,
October 22, 1928.

FA ET:GMH 88

So WRV

CR

Dec 3, 1928

DEPARTMENT OF STATE
File
DEC 21 1929
DIVISION OF FOREIGN
SERVICE ADMINISTRATION

DEPARTMENT OF STATE
JAN -3 1930
DIVISION OF
NEAR EASTERN AFFAIRS

SOLICITOR'S OFFICE
DEC 21 1929
DEPARTMENT OF STATE

FOR DISTRIBUTION

INDEX BUREAU
800.741/3

FILED
JAN 4 - 1930

AM RECD
BUREAU OF STATE
DEC 20 23

No. 293

Note
800.741

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

January 3, 1930.

November 21st, 1929.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor, for purposes of continuity of record, to acknowledge receipt of the Department's Diplomatic Serial No. 862, File No. 800.741/45, of September 21st, 1929, requiring three copies of any laws or regulations dealing with radio which have been enacted since the ratification of the Convention of 1927.

Ethiopia has issued no radio laws or regulations either before or after the Convention of 1927. Report as to the absence of such laws or regulations was made in response to the Department's Diplomatic Serial No. 745 of August 22, 1928.

I

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

In reply refer to
FA 884.741/3

anuary 3. 1930

The Secretary of State presents his compliments to the Chairman of the Federal Radio Commission and, referring to his letter of September 10, 1929, requesting translations of all radio laws and regulations promulgated since the ratification of the Convention of 1927 by the countries adhering thereto, encloses a copy of a despatch from the Minister at Addis Ababa, in relation to the matter.

884.741/3

Enclosure:
From Ethiopia, unnumbered,
November 21, 1929.

FA:PWE:ML:SS

CR
Dec. 30, 1929 P.M.
Jan 3 1930

A true copy of the signed original.

HCH

LEGATION OF THE
UNITED STATES OF AMERICA

69035

No. 1222 Addis Ababa, July 22, 1933.

Subject: Decree Governing Wireless Installations in Ethiopia.

DEPARTMENT OF STATE DIV. COMM. AUG 23 33

TREATY DIVISION
AUG 29 1933
DEPARTMENT OF STATE

Office of Economic Advisor
AUG 25 1933
DEPARTMENT OF STATE

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FOR DISTRIBUTION - CHECK Yes No
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In U. S. A.

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DEPARTMENT OF STATE AUG 24 1933 DIVISION OF NEAR EASTERN AFFAIRS

DEPARTMENT OF STATE A-C/O AUG 28 1933 ASSISTANT SECRETARY

FILE

884.741

FILED SEP 5 1933

The Honorable

The Secretary of State,

Washington, D.C.

Sir:

I have the honor to enclose herewith a translation from the Amharic as published in the local newspaper BERHANENA SALEM of an Imperial Decree which governs the establishing of wireless posts, either sending or receiving, in the Empire of Ethiopia.

This Decree has been issued presumably in anticipation of the delivery to the Ethiopian Government of the large sending and receiving stations recently completed for it in Addis Ababa by the Italian Ansaldo company.

pany. Bickering between the Ethiopian Government and the Italian company as to plans for operation of these wireless installations has been the subject of various despatches submitted to the Department by the Legation during the past year. The dispute continues unsettled.

The Legation knows of only one wireless station outside of Addis Ababa and that is at Gondar installed and operated, with Ethiopian permission, by the Italian Consulate at that place. In addition to the Ethiopian official installations there are in Addis Ababa installations at the British, French and Italian Legations which do both sending and receiving.

Respectfully yours,

ADDISON E. SOUTHARD.

List of Enclosures:

1. From BERHANENA SALEM, July 13, 1933. Translation from Amharic.

File No. 873

AES/dt

Enclosure No. 1 to Despatch No. 1222 of July 22, 1933, from the Legation at Addis Ababa.

Newspaper: BERHANENA SALEM
Published: Addis Ababa.
Date: July 13, 1933.

TRANSLATION FROM AMHARIC

THE LION OF THE TRIBE OF JUDAH HATH CONQUERED
HAILE SELASSIE THE FIRST,
ANOINTED OF GOD,
EMPEROR OF ETHIOPIA.

D E C R E E.

In accordance with a proposal of the Ministry of Posts, Telegraphs and Telephones, and in accordance with Article IX of the Constitution of Hamlé 9, 1923 (July 16, 1931), we have decreed the following:

Article One.

It is prohibited, excepting as governed by the following articles, to set up and operate sending or receiving wireless telegraphy posts in all the territory of the Empire of Ethiopia.

Article Two.

It is prohibited to set up either a receiving or a sending post without beforehand obtaining a permit from the Ministry of Posts, Telegraphs, and Telephones. The permits granted will be temporary and may be withdrawn at any time without indemnification. The holders of such permits are obliged to observe the laws and regulations of the Government and to submit to the administrative and technical control of the officials of the Ministry of Posts, Telegraphs, and Telephones.

Article Three.

All present owners of receiving or sending wireless posts, which are in operation at the time of the promulgation of this decree, are required to report in writing to the Ministry of Posts, Telegraphs & Telephones within not later than two months from this date.

Hamlé 1, 1925. Year of Mercy.
(July 8, 1933)
French Text dated June 30, 1933.

LEGATION OF THE
UNITED STATES OF AMERICA

LEGAL ADVISER
DEC 9 1933
DEPARTMENT OF STATE

No. 1236 Addis Ababa, August 15, 1933.

Subject: Wireless Regulation in Ethiopia -- Diplomatic Corps Disapproves of Decree -- Comment on Inadequacies of Official Publication of Ethiopian Laws & Decrees.

DEPT. OF STATE DIV. OF COM. & ARCHIVES SEP. 9-33

FOR DISTRIBUTION - CHECK Yes No
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HISTORICAL ADVISER
DEC 15 1933
DEPT. OF STATE

TREATY DIVISION
DEC 14 1933
DEPARTMENT OF STATE

DEPARTMENT OF STATE
SEP 14 1933
DIVISION OF
NEAR EASTERN AFFAIRS

884.7411/5
FILED
DEC 16 1933

The Honorable

The Secretary of State,

Washington, D.C.

Sir:

I have the honor to refer to the Legation's No. 1222 of July 22, 1933, enclosing translation of a Governmental Decree for the regulation of wireless installations in Ethiopia.

The Diplomatic Corps at its last meeting debated this Decree for the first time, mainly because of the active interest in it of the British, French and Italian representatives, and recorded in its official minutes the following general observations as applicable:

"L'assemblée

"L'assemblée est d'avis qu'en principe le Corps Diplomatique doit ignorer tout règlement qui ne lui a pas été notifié et auquel il n'a pas donné son approbation. En fait, le Gouvernement Ethiopien ne semble pas avoir de norme bien définie en ce qui concerne les règlements qu'il prend. Les uns sont publiés dans le journal 'Lumière et Paix,' d'autres ne le sont pas, d'autres enfin sont notifiés au C.D., comme ce fut notamment le cas pour le règlement sur les armes."

My British, French and Italian colleagues were unable offhand to specify for me their alleged legal basis for a requirement by the local Diplomatic Corps that an Ethiopian law or decree to be applicable to foreigners must be notified directly to the Diplomatic Corps by the Ethiopian Government. They said that such had always been the attitude of their respective Legations backed by their respective governments. I shall pursue this matter further in order to ascertain, if possible, whether there exists any Ethiopian recognition of the Diplomatic Corps' claim to direct notification.

With reference to the subject matter of the last sentence of the above quotation from the Diplomatic Corps minutes, there was considerable discussion of the irregularity of the Ethiopian Government in the publication or promulgation of its various laws and decrees. Some are never published. Others are published as leaflets, and still others are published in BERHANENA SALEM (translated as "Lumière et Paix" in French and as "Light & Peace" in English) which is a little weekly newspaper printed in Amharic mainly at the personal expense of the Emperor. Its editors claim that it <u>is</u> the Ethiopian "Official Gazette." On the other hand there is a weekly Amharic news sheet known as AIMERO directly supported

ported by the Ethiopian Government but which practically never publishes a law or decree. It also claims to be the "Official Gazette." Its only official content appears to be the weekly statement of the Bank of Ethiopia. All other material published consists usually of translations into Amharic of items briefly -- and often inaccurately -- digested from the international press. AIMERO is translated into English as "Knowledge."

The Government does not pay either BERHANENA SALEM or AIMERO for official laws, decrees, or notices which they may publish, hence their probable lack of interest in continuity and completeness of such publication.

I have informally discussed this situation with Mr. Colson, Adviser to the Ministry of Finance, with a suggestion that he endeavor to interest the Imperial Finance Commission of which he is a member, which deliberates practically all laws, decrees, etc., and thus eventually bring before the Emperor the desirability of having a real and formally designated "Official Gazette" charged with responsibility for continuity and completeness in publication of documents of the kind indicated. He evinced his keen interest in bringing about such development, and said he would do his best. I could, of course, directly discuss this matter with the Emperor or Minister of Foreign Affairs but assume that such action on my part would not be appropriate.

Respectfully yours,

ADDISON E. SOUTHARD.

873/020

AES/dt

LEGAL ADVISER
DEC 7 1933
DEPARTMENT OF STATE

LEGATION OF THE
UNITED STATES OF AMERICA

No. 1241 Addis Ababa, August 22, 1933.

Subject: British Requirement that certain Ethiopian Decrees or Laws to be Applicable to British Subjects Must First be Agreed to by Diplomatic Corps, Etc.

RECD DEPT OF STATE DIV. COM. & REC SEP 21 1933

DISTRIBUTION

December 9 1933

884.741/6

884.741
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The Honorable

The Secretary of State,

Washington, D.C.

DEPARTMENT OF STATE
SEP 22 1933
DIVISION OF
NEAR EASTERN AFFAIRS

FILED
DEC 9 - 1933

Sir:

I have the honor to refer to the Legation's No. 1236 of August 15, 1933, reporting that the British, French and Italian Legations in particular did not consider the recent Ethiopian wireless regulation decree as necessarily applicable to their nationals for the reason that it had not been previously submitted to them or the Diplomatic Corps for agreement or acceptance.

My colleagues were at the time not clear as to the

the legal basis for this particular attitude on their part. I have since understood that one of the bases for the British attitude is a paragraph in a British official document known as "The Abyssinian Order in Council, 1913" providing for the functioning of British Consular Courts in Ethiopia. The Department may have in its archives this particular British official document, but we have copied and enclose herewith an excerpt of the pertinent provision.

The Legation is endeavoring to collect further data of the kind which will be forwarded if and when they become available to us.

Respectfully yours,

ADDISON E. SOUTHARD.

List of Enclosures:

1. Excerpt from "The Abyssinian Order in Council, 1913." Copy.

File No. 730/874

AES/dt

Enclosure No. 1 to Despatch No. 1241 of August 22, 1933, from the Legation at Addis Ababa.

EXCERPT

From British Official Document known as "The Abyssinian Order in Council, 1913."

"66. - (1) Where by agreement among the Diplomatic and Consular Representatives in Abyssinia of foreign States, or some of them, in conjunction with the Abyssinian authorities, sanitary, or police, or port, or game, or other Regulations are established, and the same, as far as they affect British subjects, are approved by the Secretary of State, the Court may, subject and according to the provisions of this Order, entertain any complaint made against a British subject for a breach of those Regulations."

A true copy of the
printed original.

Thomson

December 9 1933

Dear Mr. Southard:

We have read with interest your despatches Nos. 1236 and 1241 of August 14 and 22, 1933, concerning the recent Ethiopian decree regulating the establishment and operation of wireless stations.

There appears to be no need for the Department to express itself at this time on the question whether regulations of this nature are to be considered as applicable to foreigners enjoying extraterritorial rights in Ethiopia, only after the decrees have been notified to and received the assent of the Diplomatic Corps at Addis Ababa.

We shall be glad, however, to have you follow this question as closely as possible and to keep us informed of any developments or any further light on the subject.

Sincerely yours,

Wallace Murray

The Honorable

Addison E. Southard,

American Minister Resident

and Consul General,

Addis Ababa.

DEC 8 1933 PM

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DOCUMENT FILE

NOTE

INDEX BUREAU

SEE 741.84/5 FOR despatch #80

FROM Aden (Park) DATED August 3,1925
TO NAME

1—1127 G P O

REGARDING: Franco-British Rivalry in Abyssinia. Advises of the proposed construction of British railway from Harrar, Abyssinia to Zeyla, British Somaliland, to compete with present French domination of Abyssinian commerce. Information concerning the existing French railway and arguments in favor of British project.

lcb

No. 80

AMERICAN CONSULATE,

Aden, Arabia.

August 8, 1925.

Subject: Franco-British rivalry in Abyssinia.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON

Sir:

I have the honor to report that according to a very credible source of information, the British Government, through its Foreign Office and its Minister to Abyssinia, has endeavored, with probable success, to conclude a treaty with the Abyssinian Government. While this report is still in the realm of rumor and supposition, there are nevertheless a number of interesting facts which seem to give it support, and which point to the British desire to compete with French influence in Abyssinia by means of a secret treaty.

An earlier reference was made to this treaty in despatch No. 125 of May 15, 1925, from this office, the same despatch reporting that a sealed package from the British Foreign Office had arrived at Aden and had been delivered to the British Minister at Addis Abeba by a special courier in the person of an Indian police official. The whole question, cited above, was again brought forcibly to the attention of this Consulate, when the

No. 80

the same police official confidentially vouchsafed the statement that, a few days ago, he had just returned from Adis Abeba, where he had delivered to the Minister the twenty-fourth sealed package from the Foreign Office. The police Inspector volunteered further that these packages weigh from 8 to 15 pounds, that he is always enjoined to spare no expense to safe-guard them and that his usual expense account for these trips shows an outlay of 500 rupees, which is at least twice the amount an ordinary person would expend for the simple journey to Adis Abeba and return.

The Inspector was asked for his opinion regarding the probable contents and significance of these carefully guarded parcels, which seem to be uncalled-for, since the open mails had for countless years amply served the Legation, even for its most confidential correspondence. He replied that on his last trip the chief clerk at the Legation inadvertionsly divulged the fact that the contents of these packages had a direct bearing upon the secret treaty above referred to, and that the major portion of the correspondence has lately been devoted to preparations for the construction of a British railway from Harrar, Abyssinia to Zeyla, British Somaliland.

It is by means of such a railway that the British could compete most effectually with the present French domination of Abyssinian commerce. The existing French railway has since its construction enjoyed almost an absolute monopoly of Abyssinian imports and exports, owing

to

to absence of competition. It extends from Addis Abeba, through French Somaliland to the French port of Djibouti, and shippers are obliged to pay not only the Abyssinian import and export duties at Dire Dawa (the frontier customs station), but French duties at Djibouti as well. In addition to this double burden, shippers are completely at the mercy of the Franco-Ethiopian Railway Company in the matter of freight rates, which are frequently altered according to demand. That is to say, when Abyssinian skins and coffee are abundant, the rates are measurably increased, and with apparent impunity, since, during the height of the export season the exporter has no alternative but to accept.

The British project for a competing railway was first observed in person by a representative of this Consulate in January 1924, during a short visit to various places in Abyssinia, French Somaliland and British Somaliland. This observer (Mr. Mohamed Yusuf Khan), happened to arrive at a place called Boroma, a few miles northwest of Zeyla, coincidentally with a commission of British engineers and surveyors, from whom he learned much of real interest about the projected British railway scheme.

It appeared that the railway was planned to be laid from Harrar in Abyssinia to Zeyla, via Boroma, in British Somaliland. Thus merchandise from Abyssinia intended for export would be brought down to the custom-house at Dire Dawa, on the Franco-Ethiopian Railway, be cleared as usual, and then transferred to Harrar by caravan, and perhaps eventually by motor transport, as soon

as

as roads could be built. From Harrar the British railway would take these goods to the port of Zeyla, whence they could be exported free of duty, for Zeyla, like Aden, is practically a free port.

Harrar, as the map shows, lies considerably north of the direct route from Harrar to Zeyla, but it is included in the railway scheme because of its desirability



as a summer resort and a sanitarium site for Europeans, more particularly for British officers and their families, corresponding exactly with the well-known "hill stations" in India. The climate in Harrar, on account of its elevation, is exceptionally fine. In January, 1924, six new houses were under

under construction and elaborate plans were on foot for the further development of the place.

The practicability of the British railway project has been gravely doubted in several quarters. It would remain to be seen whether or not the Abyssinian shippers would be sufficiently encouraged to patronize the British line, merely to avoid the French customs at Djibouti. It is argued that upon the completion of the British railway the Franco-Ethiopian Railway Company would at once reduce their freight and passenger rates, and perhaps, eventually, even reduce or abolish the French Somaliland duties on purely Abyssinian freight, through their influence over the French Government in Somaliland.

These arguments, however, are countered by still sounder ones in favor of the British project. In the first place, the eight-hour caravan journey from Dire Dawa to Harrar is not so great a deterrent to the transfer of trade as many would suppose. With a rail head at the important commercial center, Harrar, much trade could be attracted, especially from southern Abyssinia, quite independently of the French line. Then, a rate war between the competing lines is unlikely. The British are well and favorably known in this part of the world for their fairness and constancy in administration of anything they have undertaken. This is a strong factor in their favor, as opposed to the notoriously vacillating tactics of the French in their Somali Protectorate as in Abyssinia. If Zeyla, for example, is declared a free port for Abyssinian commerce, the shippers, from their knowledge of British

practices,

practices, would rely upon the English to keep it so. Rates would not be changed without a very sound reason, whereas the French rates have for years been as inconstant as the weather. Even Boramm, as a rest resort for Europeans in Aden as well as in the African Protectorates, is regarded as being sufficiently important to justify the construction of a rail line, as projected, for passenger traffic, first of all, to be supplemented by such freight traffic as might come its way. The Consulate's observer noticed, in January of last year, that Boramm was even then very popular, despite the fact that English officers and their families were forced to make the unaccustomed journey from their respective posts and from the French railway on horse-back.

But with all these factors in their favor, the British would not depend entirely upon mere competition. The "Open Door" is not yet even a dream in Abyssinia, and much less a reality. The French, their culture, their manufactures and even their currency are more firmly established in that country than those of any other foreign nation. Prestige, of course, is ever a doubtful element; it is impossible to say whether French prestige is waning and the British has an upward trend, or vice versa. Suffice it to know that French is the only foreign language, save Arabic, spoken by the Abyssinians; it is the official tongue, used entirely by the Government. The British, therefore, would have much to contend with in commercial competition. Competition would not be on an equal footing without the addition of some form of Governmental sanction. It is this

vital

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Blackfriars

vital requirement which lends plausibility to the report that the British Foreign Office has concluded, or is still endeavoring to conclude a secret treaty with the Abyssinian Government. Has Tafari, the present ruler, is personally very favorably disposed toward the British. But he is probably less an Anglophile than he is a Francophobe. He dislikes the French, and resents their influence in Abyssinia, mainly because they are inclined to favor his dethronement, and replacement by Lij Yasu, the true heir apparent.

This brings up the rather complicated question of Abyssinian politics, referred to in my despatch No. 48 of March 11, 1925, entitled "Political Unrest in Abyssinia," which at first glance seems only remotely connected with the subject matter of the present despatch, but is nevertheless closely interwoven with it.

Has Tafari probably sides with the English because the Queen, Waizaro Zeodito and the Commander-in-Chief, Fitaurari Hapte Giorgis, side with the French. Leaving the Queen out of the discussion for the moment, Hapte Giorgis, the plebeian but popular soldier, is probably the strongest member of the triumvirate of rulers. As an ardent champion of the common people, he opposes all foreign "influence" in his country, but as one who favors the restoration of Lij Yasu, he would turn to the French as his main support. The French, in turn, deem it to their advantage to support him, since they look upon him already as the man best calculated to help them maintain their prestige in Abyssinia. The British, on the other hand, standing in favor of peace, order

and

and established government, and with an eye to their own interests in the country, have arrayed themselves on the side of Ras Tafari. As long as he is in power, however nominally, Great Britain will be able to treat with the Abyssinian Government in just such a manner as the present despatch has described. And reciprocally, Ras Tafari looms toward the British for their support.

Thus it is seen that the foreign invasion of Abyssinia is divided into two jealous camps, each faction trying to exploit/ the ambitions of one of the two strongest elements in the Government.

Although the ferment among the Gallas for the restoration of Lij Yasu, as reported in despatch No. 48, has given no evidence of increase or imminent outbreak, the danger for Ras Tafari still exists, and hangs like the sword of Damocles over his head. It is thus reasonable to imagine that he would feel measurably securer with English support, and that he would be willing to make substantial concessions to them, within his power as actual ruler, It matters little whether or not such concessions take the form of railways, or any other means of discriminating against French control of commerce. It is believed that Ras Tafari is in some material way aligned with Great Britain, and the proposed railway, work on which, except for preliminary surveying has not up to the present actually been commenced, seems most decidedly to point in the direction of such an understanding.

Further developments in Abyssinian politics will be reported to the Department as occasion demands. The general situation at the present moment is tranquil, from

all

ent certificate me

all outward appearances.

The Vice Consul in Charge desires respectfully to remind the Department that, failing a personal visit to Abyssinia, it is exceedingly difficult to obtain complete or authentic information. It is for this reason that much of the matter reported by him regarding the current and impending events in that country is and must be arrived at by deduction from a few scattered and apparently unrelated facts.

I have the honor to be, Sir,

Your obedient servant,

J. Loder Park,

American Vice Consul.

File No. 800.

A true copy of a signed original

No. 1146 American Consulate-General.

Paris, France.

Office of Consular Adviser
APR 28 1926
DEPARTMENT OF STATE

April 8, 1926.

DEPARTMENT OF STATE
APR 21 1926
DIVISION OF
NEAR EASTERN AFFAIRS

SUBJECT : Alleged European designs upon Ethiopia.

For Distribution

INDEX BUREAU
741.65/14A
14B

THE HONORABLE,

THE SECRETARY OF STATE,

WASHINGTON, D.C.

Sir:

I have the honor to bring to the Department's attention an article which appears to-day in the rather serious "Echo de Paris", according to which the British and Italian governments have undertaken to discuss their interests claimed or acquired in Ethiopia. It does not appear whether or not the Ethiopian Government itself has been consulted in the premises. The article in question, in translation, reads as follows :

" It is announced that in January and February last a very thorough exchange of views took place between the governments of Great Britain and Italy on the subject of Abyssinia. According to the Anglo-Franco-Italian treaty of December 13, 1906 - a treaty which has never been sanctioned by the Ethiopian Government - an understanding was reached between the three powers interested on the subject of the construction and exploitation of railways. To France were assigned the railways between Addis-Ababa and the colony of Djibouti. It is well known that the railway from Addis-Ababa to Djibouti has been in operation since a long time, the French government charging itself with the eventual deficits resulting from the exploitation. To Italy was

accorded.....

accorded the right to connect its colony of Erythée with its other colony on the Somali coast, by means of a railway going to the West of Addis-Ababa. As to England, she obtained for her part the right to locate the railway from the Cape to Cairo across the Ethiopian territory.

" It seems that in the most recent Anglo-Italian negotiations, an increase in the rights accorded to Italy was discussed. At the same time Great-Britain demanded the privilege of controlling the waters of the lake Tsana, which is the source of the Blue Nile, with a view to the irrigation of the Soudan, without affecting Ethiopian Sovereignty. It is not yet known whether a definite agreement has been reached but it does seem to be already determined that advantages have been promised to the Government at Rome."

The above article, no doubt, explains in a measure the recently manifested desire of the Ethiopian Government to secure an American engineer for the purpose of controlling the headwaters of the Blue Nile as set out in my recent correspondence with the Department. It is quite certain that the Ethiopian Government is not deceived by the euphemistic suggestion that British control of the Blue Nile can be established "without affecting Ethiopian sovereignty " amd, therefore, it has already taken certain preliminary steps with a view to the maintenance of complete Ethiopian control of the water supplies of the country, by means of a properly conceived system of dams and irrigation streams planned by an American engineer, yet to be named, whose interest would be limited to bringing about the best results for the people of the country, chiefly concerned.

Nothing is known, as yet, concerning the official attitude of the Government of Ethiopia respecting the construction of an Italian railway west of Addis-Ababa, but having regard to the events of 1896, when Italian forces were repulsed with

heavy....

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heavy losses, it is not likely that this new scheme of "peaceful penetration" will be viewed with great enthusiasm. On the other hand, it is well known that the Italians for many years have been very sensitive about the mortification which followed the failure of their original efforts to seize control of Ethiopia. It is not without interest, in this connection, to remember that the most valuable trade of Ethiopia, for many years, has been enjoyed by the United States. It will be difficult to discover any proper ground for establishing or seeking to establish European spheres of influence in Ethiopia, a country which has never molested its neighbors in any respect, and where a primitive Christian civilization has existed since something like 1500 years.

I enclose herewith the original of the article, a translation of which is embodied in the present despatch.

I have the honor to be, Sir,

Your obedient servant,

Robert P. Skinner.
American Consul General.

Enclosure sh
864
RPS/VT

Le gouvernement anglais aurait promis à l'Italie des avantages en Abyssinie

On annonce qu'en janvier et février derniers des échanges de vues très poussés ont eu lieu entre les gouvernements anglais et italien au sujet de l'Abyssinie. Aux termes du traité anglo-franco-italien du 13 décembre 1906 — traité qui ne fut jamais sanctionné par le gouvernement abyssin — une entente avait été conclue entre les trois puissances intéressées au sujet de la construction et de l'exploitation de chemins de fer. A la France étaient réservées les communications ferroviaires entre Addis-Ababa et la colonie de Djibouti. On sait que le chemin de fer Addis-Ababa-Djibouti fonctionne depuis longtemps, le gouvernement français se chargeant de combler éventuellement les déficits de l'exploitation. A l'Italie était accordée la faculté de rejoindre sa colonie de l'Erythrée avec son autre colonie de la côte des Somalis par le moyen d'une voie ferrée passant à l'ouest d'Addis-Ababa. Quant à l'Angleterre, elle recevait pour sa part le droit de faire passer le chemin de fer du Cap au Caire à travers le territoire abyssin.

Il semble que dans les dernières négociations anglo-italiennes l'agrandissement des droits alloués à l'Italie ait été discuté. En même temps, l'Angleterre revendique la liberté de naviguer sur les eaux du lac Tsana, d'où sort le Nil Bleu, en vue de l'irrigation du Soudan, sans porter atteinte à la souveraineté abyssine. [redacted] un accord définitif [redacted]. Mais il semble bien que les avantages aient d'ores et déjà été promis au gouvernement de Rome.

Index Bureau
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JUL 10 926
Dept. of State

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DIVISION OF MAPS
WASHINGTON

June 21, 1926.

DEPARTMENT OF STATE
JUL 10 1926
DIVISION OF
NEAR EASTERN AFFAIRS

Ack'd. 7/6/26
GW-SC.

July 9, 1926.

Mr. Howland Shaw,
Division of Near Eastern Affairs,
Department of State, Washington, D.C.

My dear Shaw:

Professor Coolidge has just written me as follows:

"I am getting increasingly interested in possibilities in Abyssinia. Do you know whether any actual project has ever been made of a railway connecting the two detached portions of the Italian possessions in West Africa? I see there is talk about it again. Was one reason why the Italians were so anxious for the English to cede to them Kismayu and Port Durnford that they may have thought of one of them as the southern starting point of the line? Would the other end be Massaua? I suppose Harrar, just before crossing the French railway, would be the chief station in the center or is there a chance that the road might sweep further westward to Addis Abeba itself? In any case, from what little I have ever heard of the topography of that part of the world, the cost would seem to me boundless, but so perhaps is Mussolini's imagination".

If you and your Division know anything about this subject which is not of such a confidential nature that you hesitate to impart it, I should appreciate it if you would write me. You understand, of course, that my ignorance is boundless, and there may be some perfectly obvious statements to which you could refer me in books, magazines, or newspapers. You will appreciate, further, that, although Professor Coolidge writes on his Harvard letter-head, he is thinking as editor of FOREIGN AFFAIRS and in terms of a possible map and note.

Very sincerely yours,

Lawrence Martin

Chief, Division of Maps.

JUL 12 1926
DEPARTMENT OF STATE

For Distribution	yes	No

July 6, 1926.

Dear Colonel Martin:

Your letter of June 21, 1926, quoting from Professor Coolidge's enquiry regarding prospective railway development in Ethiopia, raises questions on which there appears to be little, if any, official information of a specific character.

Both you and Professor Coolidge are no doubt familiar with the pertinent provisions of the "Agreement between Great Britain, France, and Italy, respecting Abyssinia," signed at London on December 13, 1906. This agreement appears to recognize the exclusive right of France to control railway construction in Ethiopian territory between French Somaliland and Addis Ababa. Great Britain and Italy appear to have been recognized as possessing similarly exclusive rights with respect to the construction and exploitation of railways "allant d'un point quelconque en Abyssinie a' un point quelconque des territoires voisins Anglais ou Italiens." Further, the possibility of the

construction

Colonel Lawrence Martin,
Chief, Division of Maps,
Library of Congress,
Washington, D. C.

884.77/8

construction of an Italian line connecting Eritrea and Benadir to the west of Addis Ababa was envisaged and agreed to by the three powers, and the British Government reserved its right to construct a line to connect British Somaliland with the Anglo-Egyptian Sudan, providing mutual agreement could be reached which would take into account the accepted principle that, except with the approval of the other two powers, no one of the three powers or its nationals should undertake railway construction in Ethiopia "de nature à faire concurrence directe à celles qui seront établies."

I have heard of no intention on the part of British interests to undertake construction under this last mentioned reservation, and, as Professor Coolidge implies in his letter, an Italian line to the west of Addis Ababa would appear to be unwarranted because of difficulties of construction. If, then, there is any basis for the recent press reports of prospective Italian railway construction from Eritrea to Italian Somaliland, I should be tempted to believe that such plans would call for a route passing to the east of Addis Ababa, crossing the Djibouti-Addis Ababa line in the neighborhood of Dire Dawa, and traversing the rich Harrar region. The construction of such a line would present far less difficulties. Therefore, as such a line would traverse the region which, in accordance with the 1906 agreement, is apparently reserved for French exploita-

tion

tion, it is possible that the recent Anglo-Italian conversations at Rome had as their object the reaching of a supplementary understanding between Italy and Great Britain for the joint presentation to the French Government of an Italian scheme for railway construction along the lines I have suggested. The quid pro quo in the case of Great Britain appears to be Italian recognition of British interests in the waters of Lake Tsana, but I am unable to suggest any like quid pro quo which British and Italian interests might offer to the French Government.

Very truly yours,

G. Howland Shaw

P.S.- In any use to which the contents of this letter may be put, will you please see that the Department of State is not quoted.

G.H.S.

HK GW/GC

CR

July 7, 1925

A true copy of the signed original.

DOCUMENT FILE

NOTE

SEE 865a.77/1 FOR letter

FROM Commerce Department (Domeratzky) DATED Nov. 29,1926

TO

NAME

1—1127 G P O

INDEX BUREAU

865A.77/3

REGARDING: Railways in operation in Abyssinia.
Report on - in accordance with enclosed
railway questionnaire requested.

DOCUMENT FILE

NOTE

SEE 865a.77/2 FOR Report #-

FROM Aden (Park) DATED Sept. 2, 1927
TO NAME

1—1127 G P O

INDEX BUREAU
884.77/4

REGARDING: Railways in Abyssinia. Detailed information on.-.

DOCUMENT FILE

NOTE

SEE 884.154/1 FOR #-

FROM Abyssinia (Southard) DATED Aug.18,1928
TO NAME

1—1137

REGARDING: proposed new Ethiopian trade route, from Assab on the Red Sea to Dessie in north central Ethiopia, involving construction of either a railway or highway. From Dessie directly south to Addis Ababa either a motor road or a railway may be built. The Djibouti monopoly, by the Franco-Ethiopian railway, may be broken.

INDEX BUREAU
884.77/5

Wh

DOCUMENT FILE

NOTE

SEE 884.154/10 FOR # 43

FROM Abyssinia (Southard) DATED Feb 19, 1929

TO NAME

INDEX BUREAU 6/11 1927 884.77

REGARDING: the agreement between the French and Abyssinian governments for the construction of a railroad from Djibouti to Harrar, and providing against the construction of rival railroads from the Red Sea and from the Indian Ocean into Ethiopia, on March 9, 1894.

b

DEPARTMENT OF STATE

DIVISION OF NEAR EASTERN AFFAIRS

March 28, 1929

Memorandum regarding CARDWAY

The Commercial Intelligence Division of the Bureau of Foreign and Domestic Commerce informed Doctor Carlson today that CARDWAY is an American concern which acts as the export agent of several well known American manufacturers. The firm is said to be of rather large size and responsible.

PHA/-

CABLE ADDRESS
CARDWAY NEW YORK

RIBUTORS

March 26, 1929.

3/29/29

March 30.1928

a, is alleged to be inter-
s covering the building of
of the importation and ex-
owing to the King's fear
ostly interested in Ameri-
ing the matter serious con-
l attitude of the Depart-
coming interested in the

n might have because, logi-
ntry should be found wise
ssential that a relation-
hen the relations would un-
n citizen as the represen-
ed States. What should
e Commissioner, Consul or
esy arrangement between
appoint a similar repre-
t Ethiopia does not at
g entirely familiar with
e an expression from you
if there are any further

developments, it shall give me pleasure to communicate with you in detail or possibly drop in the next time I am in Washington.

Thanking you in advance for your immediate consideration-

Very truly yours,

FC b

C A R D W A Y

FILED

MAR 20 1929 .D.

4487

PM RECD

CABLE ADDRESS
CARDWAY NEW YORK

CARDWAY
INTERNATIONAL AUTOMOTIVE DISTRIBUTORS
CANADIAN PACIFIC BUILDING
NEW YORK, U.S.A.

MAR 27 29

March 26, 1929.

DEPARTMENT OF STATE
MAR 27 1929
DIVISION OF
NEAR EASTERN AFFAIRS

Department of State,
Washington,
D. C.

Gentlemen:

The Kingdom of Abyssinia, or Ethiopia, is alleged to be interested in extending ninety-nine year concessions covering the building of a railroad or a motor road, including control of the importation and exportation of certain of their main products. Owing to the King's fear of European intervention or control, he seems mostly interested in American capital and American effort and before giving the matter serious consideration I would like to have the confidential attitude of the Department of State in regard to American capital becoming interested in the development of Ethiopia.

I shall appreciate any information you might have because, logically, if business relations with the above country should be found wise and with great possibilities of profit, it is essential that a relationship be morally accepted by your Department. Then the relations would undoubtedly require the appointment of an American citizen as the representative of the Abyssinian Government in the United States. What should his position or most acceptable title be? Trade Commissioner, Consul or Attache? I understand that there is some courtesy arrangement between governments compelling this country morally to appoint a similar representative to the foreign nation. Realizing that Ethiopia does not at this time warrant any expenditure, and not being entirely familiar with such a procedure, I would very much like to have an expression from you on the subject. After receiving your reply and if there are any further developments, it shall give me pleasure to communicate with you in detail or possibly drop in the next time I am in Washington.

Thanking you in advance for your immediate consideration-

Very truly yours,

FC b

CARDWAY

FILED
MAR 20 1929

In reply refer to
NE 884.77/7

March 26, 1929

Cardway,

Canadian Pacific Building,

New York City.

Sirs:

The receipt is acknowledged of your letter of March 26, 1929 in which you make inquiry with regard to the attitude of the Department in connection with the investment of American capital in Ethiopia and ask for information concerning the title of a possible Ethiopian Government representative in the United States.

You will readily appreciate that the Department cannot undertake to advise American citizens with respect to the investment of capital in foreign countries.

Possibly you are not aware that the United States Government maintains diplomatic representation in Ethiopia through a Minister Resident and Consul General who assumed his duties in Addis Ababa in February 1928. At the present time the Ethiopian Government maintains no

884.77/7

no diplomatic representation in foreign countries. It is presumed that if the Government of Ethiopia eventually sends a representative to the United States he will be of a rank similar to that of the American representative in Addis Ababa, since, as you state, it is customary for governments to exchange diplomatic representatives of equal rank.

In the event that you desire further information it is suggested that you may wish to call at the Department on some future visit to Washington.

I am, Sirs,

Your obedient servant,

For the Secretary of State:

Chief, Division of Near Eastern Affairs.

NE PHA/LVD

CR 1928 .I

DOCUMENT FILE

NOTE

SEE 884.154/13 FOR #178

FROM Abyssinia (Southard) DATED April 9, 1929

TO

NAME

1—1127

INDEX BUREAU
884.488

REGARDING: French protest against proposed Italian road from Assab to Dessie as a violation of Franco-Ethiopian concession agreement of 1894, which provides against construction of competing railway lines in Ethiopia. French Minister interprets agreement to cover motor roads as well as railways, but Italian Minister does not.

Wh

American Embassy,
Teheran,

April 9th, 1920.

No. 178.

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to refer to the Department's Instruction No. 48 of February 19th, 1920, File No. 884.154/5, stating that it is not clear to the Department whether the French Government ever renounced that part of the concession agreement of March 9th, 1904, which provided against the construction of competing railway lines in Ispahan. The copy of the concession agreement which the Department stated was being sent did not arrive with the instruction hereby acknowledged. It would be useful for the Legation files.

This

This point had some time ago been discussed by the Legation with the local French Minister. His reply at the time was that he did not know that the French Government had ever renounced that particular part of the concession agreement of March 9th, 1894, but that he had written to inquire in connection with the Assab-Dessie road. No reply in the matter has yet reached him from Paris. His opinion is that the agreement is still in force and that the Italian road is in violation of it. It is his interpretation that the agreement covers not only railways but other "roads of transportation."

It is thought by the Legation unlikely that the existence of such a concession agreement as that one of 1894 had any particular bearing on limiting the Italian concession to a motor road from Assab to Dessie. As explained in various of the Legation's despatches on the Italo-Ethiopian treaty and convention there was serious difficulty in general between King Tafari and the Empress over this rapprochement with the Italians. Her Imperial Majesty not only objects to Italians but she and her party object obstinately to the construction of railways linking Ethiopia up with the frontiers of either the British or Italian colonies. On this basis alone there could hardly have been granted concession for an Italian railway from Assab.

However,

However, the motor road is so obviously the more economical and practicable for economic development that a railway could not have been considered except-ing for political or strategic military purposes. It is quite improbable under the circumstances that there was any serious endeavor by the Italians to obtain a railway concession over this particular route. Their railway ambitions are generally understood to cover the route south from Eritrea directly across Ethiopia to Italian Somaliland. The Ethiopians have objected and will continue to object to such a railway for the reasons suggested in the preceding paragraph, regardless of the agreements which may exist between Britain, France and Italy.

With reference to Article 7 of the tri-partite agreement respecting Ethiopia signed at London on December 13th, 1906, quoted in the Department's instruction, it has always been understood by this Legation that there is an Italian director of the Franco-Ethiopian Railway but no British director by reason of subsequent agreement with the British Government. I have recently asked my French colleague what would be French attitude towards applying this particular agreement to the Assab-Dessie road. He replies that he is of the firm opinion that legally and morally there should be a French director appointed and has so written and recommended to Paris.

Ethiopian

Ethiopian attitude in the matter is suggested by the inclusion of a French engineer in the commission sent to Assab recently, as reported in the Legation's Despatch No. 127 of January 23th, 1929.

I have asked my Italian colleague for his opinion and he says that the agreement wouldn't apply as the Assab-Dessie route is a motor road and not a rail road. His general attitude is, of course, one of amusement that the French or any one else should even question the course of Italian activities in this, their own Ethiopian sphere of influence.

My French colleague is, however, very pessimistic over the situation. He feels that no one can honestly compete with the present particular Italian aggressiveness in Ethiopia, backed up as it is with lavish bribery and expenditure of other sort. He says also that he fears his government will sacrifice its Ethiopian interests to avoid further friction with Italy, being importantly influenced to such attitude by Ethiopian ingratitude in return for many years of French friendship and help. In his mind in this connection are the points of friction, among other existing ones, detailed in various recent despatches from this office. Among such actual or related Diplomatic Despatches are Nos. 79, 83, 84, 105, 122, 134, 138, and 144, of September 15th, October 24th, October 26th, December 4th, January 19th, February 26th, March 5th, and March 23rd, respectively. Consular Despatch No. 72 of April 2nd, 1929,

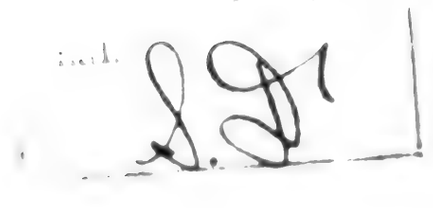
1929, detailing irregularities in letting a radio contract, will show another French grievance against both the Ethiopians and the Italians.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File 860.2/710.
AES/sid.



DOCUMENT FILE

NOTE

INDEX BUREAU
884.77/9

SEE 884.154/14 FOR # 61

FROM Abyssinia (Southard) DATED May 17, 1929.
NAME

TO

REGARDING: Enclosing copy of the concession agreement of March 9, 1894, granted to a French Company for the construction of a railroad from Djibouti to Harrar. The intent being to prohibit the construction of competing lines.

Form No. 271—Foreign Service
(for mimeographed instructions of March 6, 1924)

DEPT. OF STATE

APR 27 1925

ACKNOWLEDGED

DEPT. OF STATE

MAY 1 1925

Division of

INDEX BUREAU
APR
23
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Office of Economic Adviser
MAY 2 1925
DEPARTMENT OF STATE

DEPARTMENT OF STATE
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DIVISION OF
NEAR EASTERN AFFAIRS

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courtesy
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APR 27 1925

DEPARTMENT OF STATE
File A-40
APR 27 1925
ASSISTANT SECRETARY OF STATE

AMERICAN FOREIGN SERVICE REPORT

No. 1. Date of Preparation: March 31, 1925.

To: Department of State. Date of Mailing: April 1, 1925.

Office: Consulate, Aden, Arabia.

Reference to Request: Voluntary.

Geographic Designation: Abyssinia.

Schedule No. and Subject: E7030

Title: Increased Railway Freight Charges in Abyssinia.

Source: Conversations with firms interested in imports of coffee and skins from Abyssinia.

(SIGNATURE OF OFFICER PREPARING REPORT)

(SIGNATURE OF PRINCIPAL OFFICER)
J. Loder Park
American Vice Consul.

Reference to Previous Reports:

None.

1—1088 GOVERNMENT PRINTING OFFICE

INDEX BUREAU
884.7773

MAY 4 1925

INCREASED RAILWAY FREIGHT CHARGES IN ABYSSINIA.

--oOo--

The owners of the French-controlled Franco-Ethiopian (Abyssinian) Railway recently made a sweeping increase of 30% in freight rates for the 500 miles from Adis Abeba to Djibouti, which is the French Somaliland port serving as the principal outlet for Abyssinia. The rates were at the same time decreed payable on the gold basis which is calculated to further increase the cost of shipment.

This move has created no little consternation among Abyssinian exporters of goat and sheep skins, for it is upon them that the whole burden falls. Buyers at Djibouti and Aden cannot exceed the price limits fixed by their European and American clients and naturally refuse to be concerned with the cost of delivery at Djibouti. Prices, moreover, of goat and sheep skins have steadily fallen during the past month, thus working a still greater hardship on the unfortunate Abyssinian producer.

Such an increase seems wholly uncalled for in the opinion of leaders in the Aden skin trade, and is expected to defeat the very end it was calculated to effect, namely increased revenue for the railway. Exhorbitant

freight

freight rates they say will merely force the skin producers to resort to camel caravans, the only other means of shipment at their disposal. Secure in the belief that they held a transport monopoly, the railway management apparently attempted to extract the ultimate farthing from their clients. But since the cost of camel transport, slow as it is, amounts to less than the former freight charges, the probabilities are that much of the Franco-Ethiopian carrying trade will be diverted. This appears already to be the case, since the inflow of Abyssinian skins gives no promise of abatement.

Prices of Abyssinian skins were expected to become inordinately high as a result of the increased freight charges. Buying was extremely guarded for a time after the increase in rates became known, but as prices actually began to fall rather than rise, buying was resumed.

The increased railway tariff is the more astounding in consideration of the fact that, even at the old rates, the cost of railway transport of skins from Adis Abeba to Djibouti alone, considerably exceeded ocean freight charges for the same skins from Djibouti to New York.

According to Unfortunately for the Ethiopian skin producer, the skins cannot be held for higher prices, since this year's production is exceptionally abundant, owing to an unusually dry season last year, less farm production, and greater consumption of sheep and goats as food. They are forced to send their skins out or let them rot. They will never accept the latter alternative as long as they can realize any excess

over

over the cost of shipment to a seaport. And since the railway costs have been made prohibitive, overland transport will necessarily be diverted to other carriers and even other ports.

No. 64 (In duplicate).

One copy filed in Zanzibar envelope

INDEX BUREAU
84179

AMERICAN CONSULATE,

ZANZIBAR,

June 20, 1911.

SUBJECT: ABYSSINIA; Itinerary of Mule Caravan Routes to and from Dire-Daoua and Adis-Abeba.

AUG 2 1911

FILE, C. E. S.

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

Add'n made thereto: Fifty one copies Adis Ababa, Abyssinia

FILED AUG 3 1911

SIR:

I have the honor to enclose, for the information of the Department, an itinerary of mule caravan routes to and from Dire-Daoua and Adis-Abeba, in Abyssinia. This has been prepared by Captain H. R. Maxsted, formerly of the British service, who has recently made a trip to the Abyssinian capital, and who is believed to be a traveler of experience.

1/

That the itinerary is an advertisement is apparent, but the data contained therein if reliable, as is believed to be the case, might be of service to persons who may think of visiting Abyssinia.

I have the honor to be, Sir,

Your obedient servant,

Thurston Waddell

Enclosures:
Caravan routes,
(in duplicate).

No. 1148

August 2, 1911.

Alexander W. Weddell, Esquire,

American Consul,

Zanzibar, Zanzibar.

Sir:

The Department has received your despatch No. 64 of June 20th, last, and conveys to you its thanks for the accompanying itinerary of mule caravan routes to and from Dire-Daoua and Addis Ababa.

I am, Sir,

Your obedient servant,

For Mr. Knox:

Alvey A. Adee

884.79
SI HCH

A true copy of the signed original.

THE AMERICAN CONSULATE
20JUN.1911
ZANZIBAR

Enclo in Disp. of 20 JUN 1911

ITINERARY OF MULE CARAVAN ROUTES

to and from Dire-Daoua and Adis-Abeba.

Giving the times taken and distances in miles as near as possible. These times are for a Mule Caravan leaving and arriving with loads.

POSTAL INFORMATION. Letters can as a rule be posted at the Telephone Stations on the Chercher Route if stamped beforehand. Telephone Operators do not keep stamps.

STORES. The various Stores en route generally keep a stock of European provisions, wines, etc., including Buchanan's **Black and White Scotch Whisky.**

PASSPORTS. It is necessary at the Customs Houses en route to give up one's passes. New passes however can be obtained for the payment of ½ to 1 dollar.

SUNDRY. It is advisable to take plenty of small change for buying local provisions on the way, and about thirty yards of Americani may come in useful. The Pelzer Camel Brand is the best known. Waterbags are a necessity during the dry season.

ALTERNATE ROUTES. Another route is the Billain Route. This is almost the same distance as the Assibot Route but passes through flat country. Plenty of game is to be found here but water is scarce.

An alternate route which can be traversed during the wet season (commencing in May), is from Khartoum to Gambella by river Steamer, thence about a month's travelling by Caravan to Adis-Abeba. Yet another route is first to go to Massowah, Italian Eritrea, rail from there to Asmara, a distance of about 120 Kilometres, and thence by caravan to Adis-Abeba. This route takes about one month. There is telegraphic communication between Asmara and Adis-Abeba.

In parts of Abyssinia and Eritrea the nights are exceedingly cold and no caravan is complete without Buchanan's **Black and White Scotch Whisky.**

HOTELS. The Imperial Hotel in Adis-Abeba is excellent. At Diré Daoua there are several Hotels, of which the Continental is good. At Djibouti are the Grand Hotel Continental and others. There are also Hotels in Asmara. Between Djibouti and Diré Daoua there is a Refreshment Room, the train stops and allows passengers time to lunch. Take **Black and White Whisky** with you for the train journey.

ITINERARY OF THE CHERCHER ROUTE FROM DIRE-DAOUA TO ADIS-ABEBA Via HARRAR.

Months		Name of Place	Depc.	Name of Place	Arrivals	Miles	REMARKS.
Jan.	27	Diré Daoua	2 p.m.	Garsa	6-45	12	
do	28	Garsa	7-15 a.m.	Harrar	3 p.m.	20	Halted Haramaya 20 minutes.
do	30	Harrar	9-15 ,,	Haramaya	12-45	10	Lake and Grazing ground.
do	30	Haramaya	1-45 ,,	Garsa	5-45 p.m.	10	Grazing plentiful.
do	31	Garsa	9-30 ,,	Wara-Bili	1-20 p.m.	10	Fair Road.
do	31	Wara-Bili	2-15 p.m.	Colubi	4 p.m.	5	Fair Road. Telephone at Colubi.
Feb.	1	Colubi	6-30 a.m.	Tyalanko	9-50 a.m.	8	Stony Road. Beautiful scenery.
do	2	Tyalanco	6-45 ,,	Derru	12-30 ,,	16	Stony Roads, beautiful scenery and mountains. Telephone at Derru.
do	3	Derru	6-55 ,,	Burka	11-35 ,,	11½	Greek Store at Burka.
do	4	Burka	7-5 ,,	Tullo	9-20 ,,	5½	Telephone at Tullo
do	4	Tullo	11-25 ,,	Camp en route	1-30 p.m.	6	Roads steep and stony.
do	5	Camp	6-10 ,,	Hirna	7-55 a.m.	3	Two Hirna camps one mile apart.
do	5	Hirna	7-55 ,,	Debasso	10-30 p.m.	9	Two steep ascents and descents.
do	6	Dabasso	6-5 ,,	Kunni	12-30 p.m.	15	Small Armenian Store which stocks Buchanan's **Black and White.** Telephone at Kunni.
do	7	Kunni	6-15 ,,	Buoroma	9-50 a.m.	6½	Through forests and down steep descents to the Tyer-Tyer district.
do	8	Buoroma	5-55 ,,	Tchefanane	12-5 noon	16	Custom House at Laga Hadim, and Telephone.
do	9	Tchefanane	2-45 ,,	Laga Hadim	9-50 a.m.	21	One steep ascent and two steep descents.
do	10	Laga Hadim	7-45 ,,	Aragaga	11-45 a.m.	10	Very rocky and hot. Water plentiful.
do	10	Aragaga	8-15 p.m.	Hawash River	12-55 a.m.	10	Telephone at Fantalle.
do	12	Hawash	3-50 a.m.	Fantalle	9-40 a.m.	16	Turkish Shop at Tadechalmalca. Buchanan's **Black and White Scotch Whisky** stocked.
do	12	Fantalle	5-15 p.m	Tadechamalca	8-35 p.m.	12	Custom House at Tyoba, good river and telephone.
do	13	Tadechamalca	5 p.m.	Tyoba	10 p.m.	13	Water has to be bought here.
							Halted at Balchi for half an hour en route. Godurburka is one hour before Balchi. Water is now plentiful and the country fertile and cultivated.
do	14	Tyoba	4-15 a.m.	Wusut Aga	10-45 a.m.	16	
do	15	Wusut Aga	6-10 ,,	Shonkora	10-55 a.m.	10	Camped under big wild fig tree near a good stream. Provisions plentiful at Tchavidensa.
do	16	Shonkora	5-45 ,,	Tchavidensa	10-45 a.m.	12	Camped by the river near some caves which give a good shade. Wood very scarce. Adis-Abeba in sight 9 a.m. Buchanan's **Black and White Scotch Whisky** can be obtained from all the Leading Stores and Hotels in Adis-Abeba.
do	17	Tchavidensa	6 ,,	Akaki	12 noon	18	
do	18	Akaki	6 ,,	Adis-Abeba	9 a.m.	9	

ITINERARY OF THE ASIBOT ROUTE FROM ADIS-ABEBA TO DIRE-DAOUA.

Months		Name of Place	Dept.	Name of Place	Arrivals	Miles	REMARKS.
Mar.	1	Adis-Abeba	3 p.m.	Akaki	6 p.m.	9	It is necessary to show your pass leaving Adis-Abeba at the Custom House and also two miles out.
do	2	Akaki	6-30 a.m.	Tchavidensa	12-30 noon	18	
do	3	Tchavidensa	5 ,,	Goduburka	12-30 noon	22	
do	4	Goduburka	6 ,,	Minabella	10-15 a.m.	10	Telephone at Balchi one hour before Tchavidensa. Food very plentiful at Minnabella and water near route for mules.
do	4	Minebella	4-15 p.m.	Tychoba	8-20 p.m.	10	
do	5	Tychoba	4-5 a.m.	Tadechamalca	9-5 a.m.	13	Good river and supplies plentiful.
do	6	Tadechamalca	5-15 ,,	Fantalle	8-30 a.m.	12	Telephone at Fantallé.
do	6	Fantallé	1-45 p.m.	Hawash River	8-35 p.m.	16	
do	7	Hawash River	5-45 a.m.	Cachinonah	8-5 a.m.	4	Water here.
do	7	Cachinonah	4-15 p.m.	Laga Hadin	6-45 p.m.	6	No water in river. At 6-10 p.m., left the Telephone wires on the left.
do	8	Laga Hadin	5-15 a.m.	Laga Herba	7 a.m.	5	Water in the river.
do	9	Laga Herba	1-45 p.m.	Messo	11-30 p.m.	28	No water at Messo this time of year.
do	10	Messo	6-15 a.m.	Moulou	10-30 a.m.	10	Water in wells at Moulou.
do	10	Moulou	4-15 p.m.	Camp	6-30 p.m.	5	Good grazing and game.
do	11	Camp	4-15 a.m.	Dulladou	6-45 a.m.	6	Water in wells.
do	11	Dulladou	7 ,,	Margo	10 a.m.	8	Water in wells.
do	11	Margo	4 p.m.	Derrella	5 p.m.	3	Water near if not at Derrella.
do	11	Derrella	5 ,,	Camp	6-30 p.m.	4	Good pasture, no water.

do	9	Daga Harba	1-45 p.m.	Messo	11-30 p.m.	35	No water at Messo this time of year.
do	10	Messo	6-15 a.m.	Moulou	10-30 a.m.	10	Water in wells at Moulou.
do	10	Moulou	4-15 p.m.	Camp	6-30 p.m.	5	Good grazing and game.
do	11	Camp	4-15 a.m.	Dulladou	6-45 a.m.	6	Water in wells.
do	11	Dulladou	7 ,,	Margo	10 a.m.	8	Water in wells.
do	11	Margo	4 p.m.	Derrella	5 p.m.	3	Water near if not at Derrella.
do	11	Derrella	5 ,,	Camp	6-30 p.m.	4	Good pasture, no water.
do	12	Camp	5-30 a.m.	Ellabella	9 a.m.	9	Water in well.
do	12	Ellabella	3-45 p.m.	Camp	6 p.m.	6	Hilly tracks
do	13	Camp	3-50 a.m.	Herrer	6-30 a.m.	8	Shop here where Buchanan's **Black and White Scotch Whisky** can be obtained.
do	13	Herrer	3-40 p.m.	Camp	6-15 p.m.	9	
do	13	Camp	3-40 a.m.	Ourso	8 a.m.	12	Greek Store which sells Buchanan's **Black and White Scotch Whisky**. River here
do	14	Ourso	4 p.m.	Camp	6-10 p.m.	6	
do	15	Camp	3-50 a.m.	Diré-Daoua	7 a.m.	9	There is a well about half way between Ourso and Diré-Daoua.

Abyssinan Dollars and Piastres are used in Abyssinia and French Money in Djibouti. English Money in Berbera and Aden. Italian Money in the Italian Colonies.

The Abyssinian Dollar = about 2 shillings and 14 to 16 piastres = one dollar. The money fluctuates somewhat at Dirè Daoua, Harrar and Adis-Abeba. There is the Bank of Abyssinia, and at Djibouti, Bank of Indo-Chine. The Marie Therese Dollar is also in use.

Cables can be sent from Adis-Abeba by two routes, The Italian Route via Asmara being less expensive.

Camp indicates a suitable halting place with no special name.

Buchanan's Scotch Whiskies can be obtained from all leading Hotels, Bars and Stores in Aden, Berbera, Massowah, Asmara, Djibouti, Diré-Daoua, Harrar, Adis-Abeba, Gambella, Khartoum, etc.

The best way to reach Abyssinia is via Aden or Djibouti.

FULL PARTICULARS for Passages, etc., can be had from Messrs. COWASJEE DINSHAW, Shipping Agents, Aden; Messrs. DUBAIL ET CIE., Djibouti; and Messrs. THOS. COOK & SONS, Ludgate Circus, London, and Agencies.

Thermometer Scale.

The proportion of the Thermometers to **Reaumur** (R.), **Centigrade** (C) and **Fahrenheit** (F.) is: 4 : 5 : 9 (x32) : as follows:

R.	C.	F.	R	C.	F.
— 8,0	—10	x 14,0	x 12,8	x 16	x 60,8
— 7,2	— 9	x 15,8	x 13,6	x 17	x 62,6
— 6,4	— 8	x 17,6	x 14,4	x 18	x 64,4
— 5,6	— 7	x 19,4	x 15,2	x 19	x 66,2
— 4,8	— 6	x 21,2	x 16,0	x 20	x 68,0
— 4,0	— 5	x 23,0	x 16,8	x 21	x 69,8
— 3,2	— 4	x 24,8	x 17,6	x 22	x 71,6
— 2,4	— 3	x 26,6	x 18,4	x 23	x 73,4
— 1,6	— 2	x 28,4	x 19,2	x 24	x 75,2
— 0,8	— 1	x 30,2	x 20,0	x 25	x 77,0
— 0,0	— 0	x 32,0	x 20,8	x 26	x 78,8
x 0,8	x 1	x 33,8	x 21,6	x 27	x 80,6
x 1,6	x 2	x 35,6	x 22,4	x 28	x 82,4
x 2,4	x 3	x 37,4	x 23,2	x 29	x 84,2
x 3,2	x 4	x 39,2	x 24,0	x 30	x 86,0
x 4,0	x 5	x 41,0	x 24,8	x 31	x 87,8
x 4,8	x 6	x 42,8	x 25,6	x 32	x 89,6
x 5,6	x 7	x 44,6	x 26,4	x 33	x 91,4
x 6,4	x 8	x 46,4	x 27,2	x 34	x 93,2
x 7,2	x 9	x 48,2	x 28,0	x 35	x 95,0
x 8,0	x 10	x 50,0	x 28,8	x 36	x 96,8
x 8,8	x 11	x 51,8	x 29,6	x 37	x 98,6
x 9,6	x 12	x 53,6	x 30,4	x 38	x 100,4
x 10,4	x 13	x 55,4	x 31,2	x 39	x 102,2
x 11,2	x 14	x 57,2	x 32,0	x 40	x 104,0
x 12,0	x 15	x 59,0			

BUCHANAN'S

SCOTCH WHISKIES.

Relations Between the British and Metric Systems of Measure

LINEAR MEASURES.

1 inch	*equals*	2.54	centimétres	1 centimetre	*equals*	0.3937	inch.
1 foot	,,	30.48	,,				
1 yard	,,	91.44	,,	1 metre	,,	3.2808	feet
1 mile	,,	1609.34	metres	1 kilometre	,,	0.6914	mile

LAND OR SQUARE MEASURE.

1 sq. inch	*equals*	6.452	sq. centimetre	1 sq. centimetres	*equals*	0.155	sq. inch
1 ,, foot	,,	929.029	,, ,,	1 ,, decimetre	,,	15.500	,, inches
1 ,, yard	,,	0.836	,, metres	1 ,, metre	,,	1.196	,, yard
1 acre	,,	0.406	hectare	1 hectare	,,	2.476	,, acres
1 sq. mile	,,	259.000	hectares	1 sq. kilometre	,,	247.106	,, ,,

CAPACITY MEASURE—SOLID.

1 cubic inch	*equals*	16.38702	cubic centimetres	1 cubic centimetre	*equals*	0.06102	cubic in
1 ,, foot	,,	28.31677	,, decimetres	1 ,, decimetre	,,	0.03531	,, ft.
1 ,, yard	,,	0.76455	,, metre	1 ,, metre	,,	1.30795	,, yd.

CAPACITY MEASURE—LIQUID.

1 pint	*equals*	0.5682	litre	1 litre	*equals*	1.760	pint
1 quart	,,	1.1365	,,	10 litres (1 hectolitre)	,,	2.200	gallons
1 gallon		4.5459	litres	100 ,, (1 kilolitre)	,,	21.998	,,
				1000 ,, (1 myrialitre)	,,	219.975	,,

WEIGHT MEASURE

1 grain	*equals*	0.0648	gramme	1 milligramme	*equals*	.01543	grain
1 ounce, troy	,,	31.1035	grammes	1 centigramme	,,	15432	,,
1 pound, avoir.	,,	453.5924	,,	1 gramme	,,	15.43236	grains
1 ton	,,	1016.0471	kilogrammes	1 kilogramme	,,	2.20462	pounds

Foreign Money Table Equivalent.

Rupees	English £ s. d.	French Fcs. cts.	U.S.A. $ cts.
1 ...	1 4 ...	1.68 ...	.32
2 ...	2 8 ...	3.36 ...	.64
3 ...	4 0 ...	5.04 ...	.94
4 ...	5 4 ...	6.72 ...	1.28
5 ...	6 8 ...	8.40 ...	1.60
6 ...	8 0 ...	10.08 ...	8.92
7 ...	9 4 ...	11.76 ...	2.24
8 ...	10 8 ...	13.44 ...	2.56
9 ...	12 0 ...	15.12 ...	2.88
10 ...	13 4 ..	16.80 ...	3.20
15 ...	1 0 0 ...	25.20 ...	4.80
20 ...	1 6 8 ...	33.60 ...	6.40
25 ...	1 13 4 ...	42.00 ...	8.00
30 ...	2 0 0 ...	50.40 ...	9.60
35 ...	2 6 8 ...	58.80 ...	11.20
40 ...	2 13 4 ...	67.20 ...	12.80
45 ...	3 0 0 ...	75.60 ...	14.40
50 ...	3 6 8 ...	84.00 ...	16.00
75 ...	5 0 0 ...	126.00 ...	24.00
100 ...	6 13 4 ...	168.00 ...	32.00
150 ...	10 0 0 ...	252.00 ...	48.00
200 ...	13 6 8 ...	336.00 ...	64.00
250 ...	16 13 4 ...	420.00 ...	80.00
300 ...	20 0 0 ...	504.00 ...	96.00
500 ...	33 6 8 ...	840.00 ...	160.00
600 ...	40 0 0 ...	1008.00 ...	192.00
750 ...	50 0 0 ...	1260.00 ...	240,00
1000 ...	66 13 4 ...	1680.00 ...	320.00

Postal Information.

LETTERS to Foreign Countries (20 gr)..... 2 p.
,, Abyssinia and Djibouti (20 gr.)..... 1 p.
PostCards, Documents, Samples & Catalogues (50gr) ½ p.
Letters, each additional 20 gr..... 1 p.
Registered Letters..... extra 2 p.
Post Parcels (350 grammes to 1 kilo. 50 grammes) Fr.1
(3 kilos.) ..... 2·60
(5 kilos.) ..... 4·65

TELEGRAMS to

	Per Word.		*Per Word*
Europe	Fr. 2·85	Hodeidah & Yemen	Fr. 1·30
New York	4·10	Assab	0·65
Washington	4·75	Perim	0·55
Egypt	2·35	Djeddah	3·20
Zanzibar & Mombasa	2·20		
Madagascar & Durban	3·45		*Per Word.*
Aden	0·95	Djibouti.....Piastres (with minimum)	3
India	2·00		
Ceylon	2·10	Dire-Daoua and Addis-Ababa (with a minimum of 10 words)	1
Mozambique	3·50		
Nairobi	2·55		
Erithrea	0·75		

All Telegrams to foreign lands pay besides a tax of piastres 3 per word.

Railway Information.

RAILWAY FARES.

Distance 310 Kilom.—Djibouti-Dire-Daoua (and vice versa.)

First Class Ticket.....F. 186
Second Class Ticket 62
Third Class Ticket (for Natives) ..... 15·50
14 Kilos. Luggage allowed in the carriages,
Return Tickets (available 15 days), First Class, extra 46·50
,, ,, Second Class ,, 15·50
Luggage (excess), through Fast Train...per 10 kilog. 3·10
,, ,, ,, Goods Trains—
From 50 to 199 kilog. ..... 20·50
,, 200 to 1000 ,, per 1000 kilos. 124

TIME TABLES.

Fast Trains:—

	Departure.	*Arrival.*
Djibouti-Dire-Daoua (Saturdays)	6 0 a.m.	2 47 p.m.
Dire-Daoua-Djibouti (Mondays)	9 0 a.m.	5 46 p.m.

Buffet at Adagalla on above.

Mixed Trains:—

Djibouti-Dire-Daoua (Tuesdays)	6 20 am.	5 41 p.m.
Dire-Daoua-Djibouti (Thursdays)	5 15 a.m.	4 13 p.m.

No Buffet on these trains.

56 Kilometres Mule Riding from Dire-Daoua to Harrar. Time, 8 hours.
Mule Riding from Dire-Daoua to Addis-Ababa, about 15 days

Printed at the "Leader," Nairobi.

N O T E

SEE 884.63/- for Despatch from
Aden,#344,Nov.26,1919.
Attempt to take into Abyssinia
three aeroplanes ostensibly
for use in prospecting for
mineral deposits.Report re-.

dt

INDEX BUREAU
884.79/-

DOCUMENT FILE

NOTE

SEE 884.24/26 FOR # 153

FROM Abyssinia (Southard) DATED Feb 26, 1929
TO
NAME

884.796/2

REGARDING: arrangements for British to fly two aeroplanes into Ethiopia, subsequent to their selling them to the Ethiopian government. Contacts arranged for Automotive Trade Commissioner Ralph J. Chesbrough with Dr. Martin and other Ethiopians with a view to having him develop a trade opportunity for the sale of American planes.

b

Addis Ababa,
Ethiopia.

February 26th, 1929.

No. 155.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to my Diplomatic Despatch No. 65 of September 14th, 1928, setting forth the desire of the Ethiopian Government to purchase aeroplane equipment through the United States War Department, and to the Department's Instruction No. 26 of November 5th, 1928, File 884.24/14, replying that such arrangement could not legally be made.

The Department may be interested in knowing that King Tafari has since been able to make an arrangement through the British Legation which, I am

am informed, will result in the arrival in Ethiopia of two British planes within the next few weeks. These planes will be used in a regular Ethiopian official service between Addis Ababa and the western and southwestern provinces.

The planes will be brought into Ethiopia via the Sudan and will be the first ever to fly in this country. The Ethiopian Government very much desired that American planes have this honor but as the desired arrangement could not be made it will go to the British with, presumably, the privilege of supplying the considerable additional equipment of the sort for which there will doubtless soon be a demand in Ethiopia. It now appears that the American aeroplane industry may thus have lost an opportunity to more or less monopolize an entirely virgin field for its products.

As a possible second chance contacts have been promptly arranged by the Legation for Automotive Trade Commissioner Ralph J. Chesbrough, who happens just now to be here, with Doctor W. C. Martin and other Ethiopians with a view to having him endeavor to develop a trade opportunity for the sale of American planes through commercial channels. His success is not at all certain as the Ethiopians feel that the American Government should have met their request as outlined in Despatch No. 63 of September

September 14th, 1928, and take the refusal as lack of interest in the possible business. The Legation has patiently and reiteratively explained to them that the American laws do not permit. Their mentality is such that it is difficult to make them understand because, as they say, the European powers have no such laws and are always eager to accomodate them in matters of the kind.

Details as to the make, power, price, etc., etc., of the new British planes are not yet available to me in sufficiently accurate form to report, but will be transmitted later.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File No. 824.2
AES/sid.

A true copy of the signed original.

DOCUMENT FILE

NOTE

SEE 884.248/9 FOR # 78

FROM Abyssinia (Southard) DATED May 1, 1929.
TO
NAME

REGARDING: the detention at Djibouti of a German Junkers plane purchased by the Ethiopian Government.

1—1127

INDEX BUREAU
884.796/3

DOCUMENT FILE

NOTE

SEE 579.6 R 1/63 FOR #57

FROM Ethiopia (Southard) DATED Aug.15,1928
TO
NAME

1—1127 GPO

INDEX BUREAU

REGARDING:

Ethiopian Government will not participate in the International Aeronautical Conference in Washington, December,1928, as there is no development of aeronautics in Ethiopia. There is not a single aeroplane, civil or military, in the country and the introduction and use of such is prohibited by the government.

J

Addis Ababa, Ethiopia.

August 15, 1928.

No. 57

The Honorable,

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Department's circular instruction of June 16th, 1928, Diplomatic Serial No. 723, File No. 579.6 R 1/6, in which this office is authorized to extend to the Ethiopian Government an invitation to attend an International Conference on Civil Aeronautics to be held in Washington on December 31st to 14th, 1928.

I am informed by the Ethiopian Directing Minister of Foreign Affairs that the invitation is much appreciated but that it is not practicable for his government to be represented. There is no development of aeronautics in Ethiopia. There

is

is not a single aeroplane, civil or military, in the country and the introduction and use of such is prohibited by the government.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

AES/JW

A true copy of the signed original. JEW

DEPARTMENT OF STATE
MAY 23 1929
DIVISION OF FOREIGN
SERVICE ADMINISTRATION

AM RECD
BUREAU OF
MAY 22 29

LEGATION OF THE
UNITED STATES OF AMERICA

Addis Ababa,
Ethiopia.

April 17th, 1929.

DEPARTMENT OF STATE
MAY 29 1929
DIVISION OF
NEAR EASTERN AFFAIRS

To Commerce
May 25, 1929
I.C.B.

FOR DISTRIBUTION - CHECK Yes No
To
By
No. 184.

Assistant Secretary
of State
MAY 31 1929
MR. WHITE

DEPARTMENT OF STATE
MAY 31 1929
FILED

NOTE BUREAU
884.79611/2

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to acknowledge receipt of Diplomatic Serial Instruction No. 788 of February 25th, 1929, File No. 811.79600/1, on the subject of such regulations as may exist governing airplane flights by American citizens and American airplanes in Ethiopia.

The Ethiopian Government has not to date issued any regulations of the sort. On the basis mainly of traditional superstition the Empress and various of the older and more conservative Ethiopian officials have been firmly opposed to the introduction of airplanes either as permanent equipment here or as visiting machines. However,

ever, King Tafari has recently decided to introduce a few airplanes and is reputed to have overcome the objection of Her Imperial Majesty, the Empress.

According to reasonably authentic information there is now one Junkers airplane in Djibouti destined for shipment to Addis Ababa on behalf of the Ethiopian Government. The Legation is also informed that two British airplanes have been ordered by the Government and will enter via the Sudan if and when payment is made. The leading commercial firm in Ethiopia, of British Indian nationality, is reported to be considering the purchase of two airplanes (possibly American ones by suggestion of this office) for mail and passenger service as soon as the Ethiopian Government gives approval.

The above situation will, it is assumed, develop the issuance of official regulations but when they will be promulgated and in what form is not yet known.

On this date it may be stated that the flights of American or other national airplanes in and over Ethiopian territory are technically prohibited.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

DOCUMENT FILE

NOTE

884.7965/1

SEE 884.0011/8 FOR # 308

FROM Abyssinia (Southard) DATED Dec.20, 1929.
TO NAME

REGARDING: the death of the Dedjazmatch Wolde Selassie, the King's uncle in an airplane accident.

mb

Addis Ababa,
Ethiopia.

December 20th, 1929.

~~CONFIDENTIAL~~

No. 308.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to report the violent death yesterday at Dessie, Ethiopia, of the Dedjazmatch Welde Selassie, the only surviving uncle on the paternal side of His Majesty, King Tafari Makonnen.

The Dedjazmatch Welde Selassie was one of the closest and most intimate advisers of the King. He was the principal one of the King's officers sent north from Addis Ababa in connection with the rebellion reported in the Legation's No. 306 of December 14th, 1929, and in previous despatches. He left here a few days ago by airplane for Dessie (170 miles north of Addis Ababa) to obtain

884.7965/

obtain and bring back to the King the reply of the rebels to certain proposals for surrender made to them. Yesterday morning he prepared to leave Dessie on the return to Addis Ababa by His Majesty's Junkers airplane. According to reports so far available the plane crashed from a few meters height just after the take-off. The gasoline supply failed. One wing and side of the plane were badly smashed. Wolde Selassie's head was crashed against the interior of the cabin and a concussion resulted which caused his death last night. No other occupants of the plane received more than mild injuries.

The German pilot of the crashed plane and the body of the dead Ethiopian came back to Addis Ababa this morning by one of the King's French airplanes. A great and highly emotional funeral service was held this afternoon at one of the principal churches of Addis Ababa. The church and environs were massed with perhaps fifty thousand officers, troops, and others. The King, Ras Kassa, and other members of the royal family were present in the typical Ethiopian mourning attire. They stood in great groups on the stone steps surrounding the circular church in order that their tears and lamentations might be fully observed by the assembled chieftains, and by the great numbers of the deceased officer's household who marched round and round the church intermingling with their weeping and keening the ancient dirge and weird drum and bamboo flute music which accompany such occasions. The

deceased

deceased could not have helped being proud of the manifestation which was in full compliance and sympathy with ancient and impressive Ethiopian funereal tradition and custom.

The Diplomatic Corps attended in a body at 3:00 P.M. to express condolences, and then departed to leave the ceremonies continue their day and night long course. No other foreigners were asked or admitted to the church.

Conspicuous was the absence of the Empress or of any of the high ranking members of Her Imperial Majesty's Court. Whether this has any political significance will not develop until later. It is rumored that relations between the Empress and the King have lately again become strained.

There is a report today that the King will take the body of his uncle to the paternal province of Harrar for burial. The Legation doubts the report and is of the opinion that the King would be most indiscreet to leave Addis Ababa at this time in view of the rising tide of political feeling growing out of His Majesty's relations with the Empress and the rebellion in the north. The King doubtless grieves sincerely over the demise of his uncle, but he must thoroughly and ostentatiously emphasize such grief to impress the older Ethiopians who have in recent years accused His Majesty of a tendency to abandon the ancient and much loved traditions and customs of Ethiopia.

The dead man was the only surviving brother of Ras Makonnen, many years deceased. Makonnen was the father of King Tafari and with the Emperor Menelek was one of the two greatest Ethiopians of the brilliant period from 1890 to 1910 when the then disintegrating Empire was rebuilt. Wolde Selassie was only fifty four but at that age had reached the ranks of the grey-beards, or "elder statesmen" who invariably influence the Royal Court of Ethiopia and whose advice and opinions usually take precedence over those of younger and perhaps more able men. Age in Ethiopia is always greatly deferred to and credited with superior wisdom. The dead man held appointment as Governor of most of the turbulent Ogaden province but spent much time in Addis Ababa beside the throne of King Tafari to whom he was a most trusted adviser. The loss to the King in a political and military way will be great, but how great remains yet to be learned. The deceased Dedjazmatch was not a particularly able man but he was of the Royal Family and was within the halo of brilliant prestige built up by Ras Makonnen.

The death of Wolde Selassie in an airplane will also bring additional difficulty and worry to the King. As the Department has been informed in many despatches from the Legation the introduction of airplanes into the country had long been prevented by the older Ethiopians. The King practically forced his will upon the Empress, and upon the grey-beards aecalled, by the importation during the current year of three French and one German planes.

planes. That his own and closest paternal relative should have been the first to be killed in an airplane accident will be capitalized by the older Ethiopians with much wagging of heads, reiteration of "I told you so", and other manifestations to which will be given a political as well as social and moral complexion if possible. Superstition and other related emotions will run rife for a while but the King with his typical good luck, aided by an inherent astuteness, may be able to nullify them to an important extent.

Ethiopian custom requires forty days mourning in connection with the death of so near and important a relative, during which period the mourner withdraws from all worldly affairs. This places the King in another dilemma. All official business passes through his hands. His withdrawal for forty days might conceivably bring about a more or less chaotic condition in governmental administration under the circumstances. Incidentally our Lake Tsana conference was scheduled to begin in another ten days and will be indefinitely delayed should the King find himself forced by circumstances to adhere to the traditional period of mourning. The Legation is of the opinion that he will find some way out, but whatever His Majesty may be able to do under the circumstances the progress of all official business will be seriously delayed.

The cause of the airplane accident is also the source of many ugly rumors. My German colleague says that he has just had a very confidential report

from

from the pilot of the crashed plane that the accident was caused undoubtedly by sabotage either on the part of rebel sympathizers in Dessie, or by instigation of the King's enemies either within or without the party of the Empress. An American aviator now here says the accident resulted from failure properly to warm the engine before taking off. The German pilot will, of course, be anxious to establish an exculpation and his story to his Minister may be so motivated regardless of what he may believe to be the facts. Also my German colleague is often inclined to alarmist opinions and conclusions. However, he is the most reliable source of information so far available to this Legation and record is therefore made of his strictly confidential statements in the connection.

Further report will be made as developments may seem to warrant.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File 800.
AES/sid.

A true copy of the signed original.

DOCUMENT FILE

NOTE

new

N.S.

SEE 884.50/3 FOR # 116

FROM Abyssinia (Southard) DATED Jan 11, 1929
TO NAME

1—1127 GPO

884.797/

INDEX BUREAU

REGARDING: Proposed monopoly of motor bus transportation in Addis Ababa.

nb

Addis Ababa,
Ethiopia.

January 11th, 1929.

No. 116.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to acknowledge receipt of the Department's telegraphic instruction of January 4th, 1929, referring to a report of September 21st, 1928, from this office, and requiring a mail report as to the advisability of bringing to the attention of King Tafari the interest of the United States Government in maintaining the open door and equality of treatment.

This office has improved several opportunities during the past year for discussing with His Majesty, the King,

and

and with the Ethiopian Minister of Foreign Affairs, the attitude of the United States Government in maintaining the open door and equality of treatment. Both the King and his Minister are believed as a result thoroughly to understand the American attitude. The discussions, and reiterations, referred to have been always on an informal basis, but I have had in mind improving the first good opportunity which offers to place the views in writing. To the Ethiopian Minister of Foreign Affairs, who reads some English, has been given a copy of the speech of the Honorable William J. Castle, Jr., on the subject of "The Department of State and American Enterprise Abroad," made last year at Houston, with special reference to Paragraph 12 thereof. He has read it. At least the ground has been so prepared that a formal representation may at any time be made to the King or his Minister with assurance that he will appreciate and understand the American attitude of the open door and equality of treatment.

Just what position the King may take in conforming to American views in the premises is at present conjectural. As intimated in previous reports and despatches from this office His Majesty is understood to participate to some extent in actual commercial enterprise in this country. Should some European

interest

CONFIDENTIAL

interest, or American interest for that matter, offer the King sufficient financial inducement or assurance of profit in return for monopolistic privileges it is not at all certain that His Majesty would remember much about the open door and equality of treatment. However, there is no way of knowing definitely what his reaction would be under the circumstances until a test occasion actually arises. On the other hand I feel confident that the King does already definitely understand American official viewpoint as to the open door.

Should the Department so instruct I feel a formal communication could be prepared by this office on the general subject which would be accepted in the proper spirit by His Majesty. I would be inclined just now, however, to offer the suggestion that a formal written statement of the American view might well be left until a future occasion arises for making protest or representations to the Ethiopian Government in connection with a specific case. Such future occasion may soon arise in connection with a proposed monopoly of motor bus transportation in Addis Ababa which this Legation and Consulate General just now is following closely.

The monopolistic concession described in the report of September 21st, 1928, upon which was based the Department's cablegram hereby acknowledged, has resulted

resulted in practically no tangible activity to date. The first enterprise proposed by the holders of the concession is banking and an obstacle has been encountered in the form of conflict with the charter of the present Bank of Abyssinia. Reference in this connection may be found on Page 5 of the report of September 21st. Early successful operations under the concession do not at this time appear probable. Further report will be made as circumstances appear to warrant.

I have the honor to be, Sir,

Your obedient servant,

ADDISON E. SOUTHARD.

File No. 860.2
AES/sid.

A true copy of the signed original.

A4

Copy hereof has been sent to Com
Copy has also been sent to M.I.D.
and to Reclamation (Int.)

No. 413.

AMERICAN CONSULATE,

Aden, Arabia, September 14, 1920.

SUBJECT: Lake Tsana and the Control of the Blue Nile.

~~CONFIDENTIAL.~~

THE HONORABLE

THE SECRETARY OF STATE,

WASHINGTON.

SIR: ~~CONFIDENTIAL~~

Not for publication.

I have the honor to report that a British commission of three members several weeks ago passed through Adis Abeba en route to Lake Tsana, northwestern Abyssinia, to make measurements of the rise and fall of the water in that lake during the rainy season.

Lake Tsana is the source of the Blue Nile and as such its control by friendly interests is considered by the British as absolutely essential to the prosperity of the Sudan and of Egypt. In addition to the very great importance of the water supplied to the Sudan and Egypt by the Blue Nile it also supplies the bulk of the sediment or silt which enriches agricultural lands in those two countries. The White Nile is comparatively of less importance.

For some years, as referred to at various times in reports from this Consulate, the British have negotiated with the Adis Abeba government to secure permission to build a dam on the Blue Nile a short distance below where it leaves Lake Tsana. The British representatives originally offered an annual rental of as much as 200,000 Maria Theresa dollars for this privilege but the Abyssinian government demanded

demanded a much larger sum, which it probably did not expect to receive, as an indirect way of refusing the privilege of building a dam. The shores of Lake Tsana and of many of the islands in it are the sites of churches, convents, and other buildings for religious purposes and these buildings would in many instances be flooded should a dam be built. For this reason the Abyssinian church, which is both very conservative and very powerful, has been unalterably opposed to the project.

The plan was apparently given up and a decision taken to make the proposed dam on the Blue Nile at Senaar, in the Sudan, near the frontier, serve for the time being the purpose for which the dam further up stream was desired. This new commission may possibly mean that the original project is again under consideration, although nothing definite to that effect could be learned by this Consulate. In reply to an inquiry the British Charge d'Affaires at Adis Abeba stated that it was merely desired to make new measurements in order to compare the water levels of the lake during the wet and dry seasons. Although such measurements have been made at different times in years past this statement may be true, and again it may be evasive.

The Abyssinians resent what they consider a British tendency to attempt a possible control of the Lake Tsana region, and the matter could be the cause of trouble.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

American Consul.

File No. 610.

DOCUMENT FILE

NOTE

INDEX BUREAU

SEE 550. 48 A 1/180 FOR #22 Political

FROM Geneva (Rand) DATED Jan. 7, 1929
TO
NAME

REGARDING: Suggestion that the Nile be placed under an international regime like that of the Niger in connection with the discussion of the admission of Abyssinia to the League.

DOCUMENT FILE

NOTE

INDEX BUREAU

884.6113/2

SEE 884.6113-Wabi Shebeli/2 FOR # 272

FROM Abyssinia (Southard) DATED September 28, 1929.

TO NAME

1—1127 ...

REGARDING: the Italian desire to control the waters of the Wabi Shebeli and the endeavors of the Italian Minister to ascertain whether the King would view such negotiations in a favorable light.

mb

Addis Ababa,
Ethiopia,

September 28th, 1929.

~~CONFIDENTIAL~~

No. 272.

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to refer to the Legation's No. 226 of July 15th, 1929, reporting Italian interest in the control of the Ethiopian river known as the Wabi Shebeli.

The Legation has learned confidentially from an Ethiopian source often found reliable that the local Italian Minister is endeavoring discreetly to ascertain King Tafari's views with reference to the possibility of negotiation of an Italo-Ethiopian treaty or agreement which would place the same restrictions upon works affecting the flow of the Wabi Shebeli as are placed by the Anglo-Ethiopian agreement of 1902 upon works affecting the flow of the Blue Nile, etc.

It is not believed by this Legation that the Ethio-

pians

Ethiopians would consider any such engagement, unless the Italians should offer an exceptionally attractive price, as they have found more than ordinarily irksome the restrictions established by the British in the agreement of 1902 in connection with the building of the proposed Blue Nile dam. The development herein reported does not, therefore, impress the Legation as important in its possibilities and seems worthy of record mainly as further indication of the aggressive and possessive policy of the Italians in Ethiopian economic development.

While my relations with my Italian colleague are quite friendly I have not asked him to confirm this new Italian activity. To do so might betray my Ethiopian source of information. Also the general attitude of the Italian Minister is to reply in either negative or evasive manner to questions of the kind from his colleagues. Italian activity here is aggressive but markedly secretive. The subject will, of course, be followed for any development of interest.

I have the honor to be, Sir,

Your obedient servant,

Addison E. Southard

ADDISON E. SOUTHARD.

File No. 860.2/861.1
AES/jef.

EMBASSY OF THE
UNITED STATES OF AMERICA

Berlin, September 2, 1927.

No. 2633

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The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to transmit herewith, for such interest as it may present, a copy of CORRESPONDANCE D'ETHIOPIE of August 10, 1927, presumably a propaganda sheet directed chiefly against Great Britain. 1/

It appears to be published in Addis Ababa by a Dr. Erich Weinzinger. Enquiries made here have failed to

to reveal his identity. It has been suggested that his name sounds more Austrian than German.

He is understood to describe himself as Consul a.D., but no such person is known to have been in the German career service.

I have the honor to be, Sir,

Your obedient servant,

Jacob Gould Schurman

Jacob Gould Schurman

Enclosure:
1. Copy of
CORRESPONDANCE D'ETHIOPIE.

Copy to Legation, Vienna.

Correspondance d'Ethiopie

Nr. 7. *Addis Ababa, le 10 août 1927.* Nr. 7.

Rédacteur responsable: ***Dr. Erich Weinzinger, Addis Ababa, Ethiopie,*** Boîte Postale 144.

Les journaux sont autorisés de reproduire nos informations sous réserve d'indication de source. Prière d'envoyer deux exemplaires justificatifs au rédacteur. — Conditions d'abonnement: pour l'étrang-r 2/0/0 Lstg par an; pour l'Ethiopie 10.— thalers. — Imprimerie Dr. Erich Weinzinger, Addis Ababa.

Un grand problème africain: le Lac Tsana.

Notre collaborateur belge nous écrit:

Durant les derniers mois de 1926 [illegible] 1927, le prince Taffari, régent et héritier du trône d'Ethiopie, s'est affirmé au point de lui enlever toutes préoccupations de politique intérieure, ce qui autorise à croire qu'il va envisager sous peu la question du Lac Tsana.

Situé à près de 1760 mètres d' altitude, en plein massif abyssin, ce lac donne naissance au Nil Bleu qui apporte à l'Egypte le limon, élément primordial de son agriculture.

Des travaux d'art, exécutés sur le lac, permettraient, en récupérant des masses d'eau qui se perdent actuellement sans profit, de fertiliser au Soudan, d'immenses terrains favorables à la culture du coton.

On saisira l'importance du lac Tsana dans l'économie de l'empire britannique si l'on songe que l'industrie cotonnière anglaise est menacée par une pénurie de matière première et que les travaux donneraient un élément de garantie de la sécurité du canal de Suez en favorisant le contrôle de l'eau nécessaire à l'existance de l'Egypte.

Des notes furent échangées en décembre 1925, entre l'Angleterre et l'Italie, promettant une aide réciproque pour faire obtenir à la première la concession du lac Tsana et d'une route automobile allant du lac au Soudan, à la seconde la construction d'un chemin de fer traversant l'Ethiopie du nord au sud avec une sphère d'influence économique exclusive.

Ces notes produisirent une impression pénible en Europe et apparurent contraires à l'esprit de la Société des Nations dont l'Ethiopie faisait partie depuis septembre 1923.

Le Prince Taffari fit immédiatement parvenir à Sir Eric Drummond, secrétaire général de la Société, une protestation très nette et non exempte d'une certaine sécheresse.

Pour se justifier l'Angleterre exposa qu'ayant attendu vingt cinq ans l'exécution des clauses relatives aux barrages du Nil Bleu, du Tsana et du Sobat contenues dans le traité signé en 1902 avec Ménélik, elle était en droit de recourir à des moyens nouveaux. La longue maladie de Ménélick, l'avanture de son héritier Lidj Jassou et les débuts de la régence du prince Taffari ne furent pas des époques propices à l'étude calme et raisonnée d' un problème intéressant le coeur même de l'Ethiopie.

Ce n'est qu'au cours de 1926 qu' on verra la politique souple, mais tenace, du régent s'imposer à tous les partis, lui permettant d'affronter enfin les problèmes de la politique extérieure dont le plus pressant et le plus important est celui du lac Tsana.

Le prince Taffari n'a jamais entendu, par simple caprice, empêcher le développement du Soudan, mais la note anglaise à Mussolini l'invite à la plus extrême prudence: des travaux anglais et un route anglaise au sein de Ethiopie apparaissent difficilement compatibles avec les prérogatives d' un état souverain.

Sans mettre en doute la parfaite loyauté de l'Angleterre qui ne désire entreprendre les travaux que parceque le personnel technique fait défaut aux Ethiopiens, il est obligé de tenir compte de l'état d'esprit des grands feudataires et des populations environnant le Tsana.

Les affirmations réitérées de l'Angleterre qu'elle n'a d'autre but que d'obtenir l'eau nécessaire au Soudan, permettent cependant d'envisager une solution toute empreinte de l'esprit de la Société des Nations.

Rien ne s'oppose à la création d'une société éthiopienne d'ordre commercial à qui l'Ethiopie apporterait le lac et les terrains nécessaires aux travaux, l'Angleterre et l'Egypte les capitaux. Une personnalité, très au courant des affaires éthiopiennes, a suggéré dans le but de mieux rassurer le pays, d'adjoindre aux trois intéressés, deux neutres en l'occurence, la Belgique et la Suisse, appartenant toutes deux à la Société des Nations. Des techniciens neutres recevant des directives d'Addis Ababa, construiraient et surveilleraient les ouvrages avec le concours d'ouvriers éthiopiens ce qui éviterait toutes suspicions.

Il apparait que le gouvernement éthiopien est disposé à étudier le problème dans cet esprit.

S'il faut reconnaître que l'Angleterre a pu avoir des raisons de se plaindre de la proverbiale lenteur de la diplomatie éthiopienne, il est à souhaiter, au point de vue de la moralité internationale, que la question du lac Tsana, qui va bientôt redevenir d'actualité, se règlera sur la base du respect des droits de l'Ethiopie, seule nation chrétienne d'Afrique.

M. D.

Racontages d' un journaliste américain et comment les »Times« de Londres en profitent.

En Europe, un journaliste qui veut écrire sur la politique d'un pays, fixe tout d'abord son domicile dans le pays qu'il veut étudier. Souvent, il y travaille pendant plusieurs années, il connaît à fond la situation politique et économique et il a des relations suivies avec les hommes influents. Autrement, il n'oserait pas écrire des articles sur ce pays. Ce n'est pas le cas en Ethiopie. Là, un journaliste européen parcourt vite en quelques semaines un monde qui est nouveau pour lui, sans connaître la langue, les gens, les institutions, l'histoire. Quelques visites, quelques parties de chasse, et son opinion est faite sur l'Ethiopie. Sur ces données fragiles il crée l'opinion publique: on dévore ses articles à grandes manchettes et à titre sensationels. Nous avons constaté ce fait malheureusement à plusieurs reprises

Un journaliste américain, Mr. Jack Baum qui a accompagné dernièrement une mission américaine scientifique, voyageant en Ethiopie, a publié par l'entremise de la North American News paper Alliance des articles assez originaux sur l'Ethiopie. Quelques-uns étaient rédigés pour les lecteurs américains, et tout à fait anodines. Mr. Baum a été reçu pendant son séjour en Abyssinie par le Prince-Régent. Dans un de ses articles il prétend que le Régent lui aurait conseillé d'intéresser les capitaux américains en Ethiopie pour y faire de grandes plantations où les esclaves travailleraient pendant cinq ans, jusqu'à leur libération; les entrepreneurs américains contribueraient ainsi à la suppression de l'esclavage en payant pendant cinq années les salaires des ouvriers-esclaves, pour la moitié à eux-mêmes, pour l'autre moitié à leurs propriétaires!

Nous nous sommes renseignés à la source même et nous sommes en mésure d'affirmer catégoriquement que Mr. Baum a mal interprêté sa conversation avec le Régent. Mais peu importe que les dires de Mr. Baum soient vrais ou non; plusieurs grands journaux anglais sont tombés sur cette »nouvelle américaine« et l'exploitent au détriment de l'Ethiopie dans l'intérêt de la politique anglaise qui ne cherche qu'à discréditer le gouvernement abyssin. Les Anglais poursuivent clairement encore un autre but: décourager les capitaux américains de s'installer en Ethiopie. Les rédacteurs des »Times« de Londres sont des gens tres habiles, mais le procédé qui consiste à publier sous la forme d'une correspondance de ***Washington*** un article comme celui paru le 27 mars dernier, contenant pour partie des informations exactes et d'autres tendancieuses, est trop grossier pour que les honnêtes gens s'y laissent prendre. Voilà cependant l'article très significatif qui a déjà trouvé son écho dans la presse étrangère, notamment dans la presse italienne:

Capitaux américains pour l'Ethiopie?

»Le Département de Commerce de Washington vient d'inviter le public américain à travailler en Ethiopie, »an almost virgin field for productive effort«. On doit considérer cette invitation comme le résultat des démarches réitérées du Régent d'Ethiopie pour décider Mr. Coolidge à installer une Légation des Etats Unis en Ethiopie. Dans un communiqué à la presse, paru dernièrement, (où, quand?) le Régent d'Ethiopie invita les capitalistes américains à employer des esclaves qui forment une grande partie de la population pour planter du café, caoutchouc etc, et pour exploiter les richesses du sol en minéraux. Pour ce travail les américains devraient payer pendant cinq ans la moitié du salaire normal aux propriétaires des esclaves et l'autre moitié aux esclaves-mêmes. Après avoir payé ces »loyers« pour la «propriété humaine,» les esclaves deviendraient libres quoique cette liberté n' ait pas été clairement définie.«

«Le Département of States a essayé l'hiver passé, sans succèes, d'obtenir les crédits nécessaires pour l'installation d'une Légation en Ethiopie. Le parti des ouvriers organisés s'opposerait énergiquement à ce crédit, et il paraît peu vraisemble que le Département of Commerce ne prenne pas en considération l'attitude de ce parti.»

«La promesse du Régent Taffari Makonnen d'abolir l'esclavage et le servage, fait en 1923 devant la Ligue des Nations, n'a pas été tenue. La proposition faite aux capitalistes américains de contribuer à retarder sans punition de cinq ans l'exécution de cette promesse trouvera difficilement l'approbation du peuple américain. En créant des ***intérêts américains*** en Ethiopie et en sollicitant l'installation d'une Légation des Etats Unis à Addis Ababa, le Régent cherche un appui pour ses pourparlers futurs avec l'Angleterre, l'Italie et la France. Ces avantages désirés par le Régent sont trop visibles!»

A part que les faits mentionnés par ce journal anglais ne sont pas exactes, nous croyons que le correspondant des »Times« de Washington peut sans crainte laisser au peuple et au gouvernement américain les soins de prendre des décisions concernant l'Ethiopie.

Ce que le »Temps« pense de cette affaire.

«Cette nouvelle, exprimée d'ailleurs en termes plutôt tendancieux, doit être accueillie avec la plus expresse réserve en ce qui concerne les déclarations du Ras Taffari; ce n'est pas la première fois qu'un journal anglais essaie d'oublier que le véritable esclavage a été aboli en Abyssinie. Par contre il est certain que le gouvernement éthiopien cherche à attirer des capitaux américains, en vue de contrebalancer l'influence des pays qui pourraient être tentés d'intervenir dans ses affaires intérieures, sous un prétexte ou sous un autre.«

Alkoholverbrauch in Abessinien.

(Dr. E. W.) In der Zeit, bevor sich europaeische Kaufleute in Abessinien angesiedelt hatten, um das Jahr 1880, kannten die Abessinier nur ihre im Haushalt hergestellten alkoholischen Getraenke, Talla und Tedsch. Ersteres ist ein dünnes Gerstenbier; Tedsch, dem altdeutschen Met aehnlich, wird aus vergorenem Honigwein dargestellt und ist, besonders wenn lange aufbewahrt, sehr berauschend. In der Hofhaltung der abessinischen Kaiser gibt es ueber hundertjaehrigen Tedsch, der dickfluessig wie Honig ist. Als Gaehrungsmittel fuer beide Nationalgetraenke wird das Blatt der Gescho-Pflanze verwandt, Rhamus prinoides, eines immergruenen Strauches. Der Bitterstoff des Gescho-Strauches ist giftiger als der unseres Hopfens. Mit der Einwanderung europaeischer Kaufleute gewoehnten sich die Abessinier leider auch an die importierten Schnaepse, Likoere, Weine, Champagner. Die steigende Nachfrage nach derartigen Getraenken fuehrte zur Errichtung der ersten Brennereien in Abessinien, die aus Getreide einen minderwertigen Sprit erzeugten, aus dem durch Beifuegen von Wasser, Essenzen und Farbe die importierten Sorten nachgeahmt wurden. Da der Preis dementsprechend billiger war, verallgemeinerte sich der Konsum, besonders auch bei der niedrigen Klasse der Bevoelkerung. Am beliebtesten wurde der sogenannte Mastika (einhalb Sprit, einhalb Wasser unter Beigabe von Anisessenz und Zukker.) Die Nachfrage wurde immer groesser, natuerlich auch die Konkurrenz unter den Erzeugern, die Preise sanken immer mehr und der Eingeborene konnte sich fuer wenig Geld an dem gesundheitsschaedlichen Getraenke berauschen. Seit zwei Jahren ist das Monopol der Alkoholerzeugung einer belgischen Gesellschaft übertragen worden. Erfreulicherweise (fuer das abessinische Volk, nicht fuer die Aktionaere der Gesellschaft) hat sich dadurch der Alkoholkonsum nicht vergroessert, sondern vermindert. Waehrend vor dem Monopolregime monatlich ca. 60.000 kg 94% Sprit erzeugt wurden, sind es heute nur ca. 20.000 kg, die zu Mastika verarbeitet werden. Dazu kommen noch die Importe an Wein, Bier, Likoere, Champagner, die sich monatlich auf ca. 1000 Kisten à 1 Dutzend Flaschen belaufen. Heute kostet in Addis Ababa eine Flasche Mumm 5. Thaler, eine Flasche Vermuth oder Cognac 2.- Thaler, eine Flasche Muenchner Bier 1.- Thaler. (1 Lstg.: ca. 10.- Thaler.) Da sich die niedere Bevoelkerungsschichte die importierten alkoholischen Getraenke kaum leisten kann, laeuft gerade sie Gefahr, durch den Genuss minderwertiger, im Lande erzeugter Alkoholica Schaden zu leiden. Die abessinische Regierung sollte diesem Umstande ihre besondere Aufmerksamkeit schenken. Eine dankbare Aufgabe der hier vertretenen Kolonialmaechte waere es, sie ueber die traurigen Erfahrungen zu informieren, die sie in ihren eigenen Kolonien machten und ueber die Abwehrmassnahmen, die sie dort auf Grund statistischer Erfahrungen treffen. Fuer derartige zivilisatorische Ratschlaege scheinen die Grossmaechte aber wenig Interesse zu haben.

CLASSIFICATION CANCELED AUTHORITY LETTER OF 1-8-58 FROM W. H. ANDERSON, STATE DEP'T BY William Stevens DATE July 14 1958

884.911/-

Un accord anglo-italien contre la France ?

Le Correspondant parisien de la »Gazette de Voss« dit savoir de bonne source que le gouvernement français a obtenu pleine confirmation du fait que l'entrevue qui a eu lieu l'année dernière à Livourne entre Mussolini et Chamberlain n'est pas restée limitée à un simple échange de vues générales, mais a, au contraire, abouti à une entente anglo-italienne consignée sous forme de convention écrite. Cette convention entre le Foreign Office et la Consulta renferme d'après le dit correspondant un accord relatif à l'Abyssinie.

Les milieux officiels de Rome déclarent que cette nouvelle est absolument inexacte.

La presse française croit malgré ce démenti à la convention et y voit un acte hostile à la France. Le »Quotidien« [illegible] cette entente tacite [illegible] serait anglo-italienne sur l'Ethiopie, malgré les conventions passées en 1906 avec le concours de la France.

Notre rédacteur avait au milieu de mai 1927 un entretien avec un haut fonctionnaire du ministère des affaires étrangères de Rome qui lui déclara formellement qu'aucun pacte avait été signé concernant l'Ethiopie. Nous croyons savoir que l'Italie comprend aujourd'hui qu'elle a été utilisé par l'Angleterre pour les buts de Londres. Egalement, nous constatons un changement important dans l'attitude de la grande presse anglaise qui est aujourd'hui de l'avis que l'Angleterre aurait mieux fait de poursuivre sa politique en Ethiopie sans se solidariser avec celle de l'Italie. Nous voyons, en tout cas, que les grandes puissances font entre eux aujourd'hui encore des accords d'apparence sérieuse sans s'y tenir si cela ne leur convient plus.

Le Gouverneur du Soudan a découvert un »No Man's Land«.

Le dernier rapport du Gouverneur du Soudan à la S. d. N. nous renseigne sur un »territoire sans patron«. Où? Entre le Soudan et l'Ethiopie. C'est par ce terrain sans patron que des chasseurs d'esclaves viennent traverser la frontière du Soudan pour capturer leur butin, dit le rapport. Qu'on nous permette deux questions! La première est celle-ci: Si les dites bandes viennent d'un »No Man's Land« pourquoi en faire responsable le Gouvernement Ethiopien? La deuxième question est celle-ci: Est-ce que l'armée anglaise du Soudan n'est-elle pas assez forte pour surveiller la frontière vers le pays sans propriétaire? Une troisième question se pose encore: Est-ce que le Gouverneur du Soudan croit-il vraiment qu'il est possible qu'un territoire sans patron existe à côté d'un territoire anglais?

Dr. E. W.

Slavery in Abyssinia.

A Addis Ababa a été fondé une association sous la présidence d'un médicin abyssin dont les membres s'engagent à libérer tous les esclaves qui leur appartiennent et à s'occuper de leur avenir en créant une école professionelle pour les enfants des esclaves. Le Gouvernement Ethiopien a mis un vaste terrain à la disposition de l'association pour la construction des bâtiments nécessaires.

A ce sujet, le »Manchester Guardian« écrit:

»Some time ago the Anti-Slavery and Aborigenes Protection Society was approached by the Foreign Office, to help in the establishment and maintenance of a school in the Abyssinian capital for poor children and freed slaves. That is an interesting piece of news. It will be remembered that during the controversies over the entry of Abyssinia to the League of Nations in 1923 and over the Anglo-Italien Agreement of 1925 the existence of domestic slavery in Abyssinia was one of the chief arguments urged against her admission to equality with other nations. The statement in defence that the Abyssinian Government under the enlightened Ras Tafari was attacking the problem with vigour and not without success was denied, but the new school is evidence that something has been and is being done, for there could be no need for a school for liberated slaves unless slaves were in process of being liberated. The difficulties facing the Regent were not always understood. Domestic slavery has been part and parcel of Abyssinian life for centuries, as it is in other Eastern countries in a similar stage of development, and it can only be abolished by degrees. Governments have to walk warily. The Abyssinian Government has risked a good deal as it is, in its reforming zeal, but it has escaped disaster. An encouraging beginning has been made for which Ras Tafari deserves support and sympathy.«

L'accord anglo-italien de 1925 commence à devenir un désaccord.

L'article suivant, paru dans le »Manchester Guardian« du 19 mai 1927 démontre clairement que la politique anglaise en Ethiopie désire se séparer de celle de l'Italie malgré l'accord de 1925 d'après lequel ces deux puissances s'assurent leur concours mutuel pour obtenir la réalisation de leurs visées en Ethiopie.

»Depuis l'incident de l'accord singulier de l'Italie avec l'Angleterre, l'année dernière, concernat l'exploitation de l'Ethiopie sans l'assentiment de cette dernière, on a peu entendu parler de l'Abyssinie, même dans la presse coloniale italienne. Dernièrement on a annoncé que le duc des Abruzzes, cousin du Roi Victor Emmanuel, ferait une visite au régent éthiopien Tafari Makonnen qui prépare actuellement la réception du voyageur royal. Le Duc est un excellent explorateur et sa visite doit satisfaire en premier lieu sa passion de grimper des montagnes. Mais le Duc est aussi un pionnier notoire des plans de colonisation et il est difficile de croire que cette visite n'est pas une manifestation des tendances politiques italiennes dans la mer rouge. Il est intéressant de constater que le fascisme qui a trouvé improductives les méthodes de force, recourt actuellement à une politique tendant à obtenir plutôt par la douceur que par des menaces. Aucune flatterie ne pourra convaincre le Régent Tafari Makonnen de l'utilité d'une voie ferrée entre la mer rouge et le Somaliland italien à travers le territoire abyssin. Aucune flatterie ne pourra cacher que ce chemin de fer serait autre chose qu'un occupation déguisée. Le désir anglais d'exercer un côntrole sur les eaux du Lac Tsana ne peut pas être comparé avec le but du chemin de fer des Italiens! Mais malheureusement la réalisation simultanée de ces deux projets parraissait possible en vertu de notre accord avec l'Italie et la non-réussite de l'un implique la faillite de l'autre; en tous cas la simultanéité ne sera pas obtenue.«

Voilà l'opinion d'un des plus grands et des plus sérieux quotidiens anglais.

REVUE DE LA PRESSE.

Les Profits d'une Alliance.

(Max Brézol dans le ‚Quotidien', Paris 1.-VII. 1927)

Il y a un peu plus d'un mois, le duc des Abruzzes arrivait en Ethiopie pour »renforcer, déclara-t-il, les liens d'amitié entre l'Ethiopie et l'Italie.« On parle à l'heure présente du voyage d'un diplomate anglais en Abyssinie.

Bien que ces visites officielles et courtoises soient dues au régent Tafari Makonnen qui, en 1924, se rendit successivement à Rome, à Paris et à Londres, elles ont — de la part de l'Angleterre et de l'Italie — des buts politiques que chacune de ces puissances s'efforce de dissimuler.

Instruites par l'expérience de l'accord englo-italien de décembre 1925, l'Angleterre et l'Italie ne veulent point à nouveau s'attirer les foudres des gouvernements étrangers, et ce qui est plus grave, du conseil de Genève.

Les gouvernements de Londres et de Rome, qui sur bien des points s'entendent pour une action commune, avaient en effet stipulé un accord qui, signé en décembre, ne fut communiqué au gouvernement éthiopien que sept mois plus tard.

Cet accord était dirigé contre l'indépendance de l'Ethiopie garantie par la Société des Nations. De plus il était incompatible avec le traité conclu en 1906 entre la France, l'Angleterre et l'Italie et d'après lequel chacune de ces puissances s'engageait à ne pas chercher d'avantages particuliers en Ethiopie sans l'assentiment des deux autres puissances.

C'est dire si l'inquiétude s'empara du gouvernement d'Addis-Ababa. Connaissant ses droits, l'Ethiopie envoya une note à la S. d. N. et aux Etats-membres.

L'effet fut immédiat: les gouvernements anglais et italien, devant l'hostilité générale, se virent obligés de déclarer que l'accord ne serait valable qu'autant qu'il serait reconu par l'Ethiopie.

Depuis ce jour, on comprendra que le gouvernement abyssin n'ait point placé sa confiance dans la politique menée par Londres et Rome. Les visites officielles et les protestations d'amitié n'y changeront rien.

A juste raison d'ailleurs, car tout porte à croire que l'Angleterre n'a **point abandonné ses projets. Elle utilise** une fois de plus l'aide de l'Italie — passée en quelque sorte au rôle de vassale — pour poursuivre ses propres intérêts en Ethiopie en général et dans la région du lac Tsana en particulier. — Max Brézol.

L'Angleterre fournira-t-elle les capitaux ?

»Une dépêche du Ras Tafari exprimant à M. Mussolini sa satisfaction du bon retour du duc des Abruzzes et du resserrement des liens entre l'Italie et l'Abyssinie, ainsi que du développement de leurs relations, a provoqué de nouveau dans la presse italienne des convoitises au sujet des multiples ressources qu'offre l'Ethiopie. Des centaines de milliers d'Italiens y trouveraient place.

Mais la difficulté, ce sont les capitaux. Nos confrères italiens estiment qu'on devrait les demander à l'Angleterre et que l'on pourrait notamment établir ainsi 5.000 kilometres de voies ferrées, reliant à travers l'Ethiopie, l'Erythrée et la Somalia italienne.

C'est très bien, mais il manque l'accord avec l'Angleterre et peut-être ne favorisera-t-elle pas volontiers de ses deniers une active colonisation de l'Abyssinie par l'Italie.«

»Economiste Colonial«, Paris, 28 juin 1927.

* * *

Der Herzog der Abruzzen bei Tafari Makonnen.

Eine neutrale holländische Stimme.

»Rotterdamsch Nieuwsblad« 26./6. 1927.

»Der bekannte Notenwechsel vom Dez. 1925 bis Juni 1926 zwischen Rom-London-Genf-Addis Ababa hatte in Abessinien einige Misstimmung hervorgerufen. Seine Unabhängigkeit bedroht sehend, richtete Abessinien eine Protestnote an den Völkerbund, um die oeffentliche Meinung der Welt für sich zu interessieren. Darauf erklärten Rom und London schleunigst, ihr Abkommen über Abessinien käme nur dann in Frage, wenn dessen Regierung seine Einwilligung dazu geben würde. Diese Zustimmung Abessiniens ist bis heute nicht erfolgt.«

»Inzwischen hat Italien versucht, den Missmut der Abessinier zu zerstreuen und will die Welt glauben machen, es wäre von dem berechnenden, schlauen Albion vor den Wagen gespannt worden, um englischen Interessen zu dienen. Den Abessiniern gegenüber will Italien beweisen, dass es nie boese Absichten hatte und entsandte den Herzog der Abruzzen nach Addis Ababa, um dem Regenten einen Freundschaftsbesuch abzustatten. Dieser Umstand hat Englands und Frankreichs Eifersucht erregt. Der italienische Herzog wurde von den Abessiniern mit der grösstmöglichsten Aufmerksamkeit empfangen und gefeiert. Italienischerseits wurde in den Reden behauptet, Abessinien hätte keine besseren Freunde als die Italiener. Wenn das wahr ist, muss sich Abessinien sehr vorsehen, denn solche Freundschaften sind in Wahrheit ganz etwas anderes, zumindestens aber sehr vergänglicher Natur. Nach all diesen Freundschaftsbeteuerungen Italiens muss man gespannt sein, was England tun wird. Es wird Italien übertreffen wollen. Aber wie? . .«

Wir ersehen aus obigen Ausführungen eines führenden holländischen Blattes, dass man auch in den neutralen Ländern des Nordens der abessinischen Frage Interesse entgegenbringt, sie sogar strenger beurteilt als uns dies heute berechtigt erscheint.

VARIA.

Nagadras ***Zalaka,*** ministre de commerce et ministre des finances par interim, a quitté la capitale le 10 août pour se rendre à la session de septembre de la S. d. N. à Genève, comme Delégué de l'Ethiopie. Ato Woulde Maryam qui se trouve déjà depuis plusieurs mois en Europe, le rejoindra à Genève. — Les journaux anglais du 16,17 et 18 juillet, arrivés aujourd'hui à Addis Ababa, parlent avec grande exagération du regrettable accident de l'Ogaden où sept Somalis anglais (pas treize comme disent les journaux), ont été tué par un prise de soldats abyssins. Les journaux exploitent cet accident pour faire croire en Europe l'existence de troubles et un mouvement général contre les étrangers en Ethiopie. **Ces nouvelles tendancieuses sont *absolument fausses* et sont *visiblement*** inspirées par une source officielle ce qui est prouvé par la rédaction des dépêches qui sont parties toutes de ***Londres;*** elles prétendent que les autorités éthiopiennes sont incapables de maintenir l'ordre et négligent leur devoir de protéger les visiteurs étrangers. Il s'agit d'un malheureux accident qui a été expliqué dans notre numéro précédent. Les journaux anglais oublient que les Somalis britanniques comme ceux de l'Italie et de l'Ethiopie se soumettent difficilement à l'ordre ***ce qui produisit l'accident regrettable.*** Il y a peu de temps, un capitaine anglais a été tué près de Zeilah (British Somaliland) sans que les journaux anglais eussent parlé d'une façon alarmante comme dans le cas actuel. D'autre part, nous apprenons que le gouvernement éthiopien et le ministre britannique à Addis Ababa ont presque terminé leurs pourparlers pour arranger cet incident. Le Gouvernement éthiopien punira les coupables et dédommagera les lésés.

Une dépêche de Londres informe le public que Mr. Chamberlain avait déclaré à la Chambre des Communes que l'Angleterre est entré en pourparlers directes avec le Gouvernement éthiopien concernant la question du Lac Tsana, avec l'exclusion de l'Italie ce qui signifierait l'annulation du fameux traité anglo-italien de 1925 dont nous parlons aussi dans la première partie de notre numéro d'aujourd'hui. Malgré cette nouvelle annoncée de Londres, ici nous ne savons rien de pourparlers anglo-éthiopiens au sujet du Lac Tsana.

Un publiciste américain **Mr. Mac** Creagh est arrivé avec sa femme en Ethiopie pour renseigner le public américain sur le pays et les possibilités économiques. Ce sera intéressant de comparer l'opinion d'un observateur neutre avec celle des milieux intéressés!

Die Schweizer Kolonie in Abessinien hat eines ihrer ältesten Mitglieder, CHARLES FALLER aus Kammersrohr (Solothurn) verloren, der am 3. August auf seinem Sägewerk in Djam-Djam im Alter von 48 Jahren starb. Faller stand früher in Diensten Kaiser Meneliks und war nachher Miteigentuemer des in schweizerischem Besitz befindlichen Sägewerks Faller & Evalet. Der bescheidene Schweizer erfreute sich trotz seiner Zurückgezogenheit allseitiger Sympathien, wovon die ausserordentlich rege Beteiligung an seiner Beerdigung lebhaftes Zeugnis ablegte.

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OF 1-8-58 FROM W. H. ANDERSON, STATE DEP'T
BY William Lescure DATE July 17 1962

LEGATION OF THE
UNITED STATES OF AMERICA

Vienna, September 19th, 1927.

No. 1529

Mailed, September 22nd, 1927.

DEPARTMENT OF STATE
OCT 3 1927
DIVISION OF
WESTERN EUROPEAN AFFAIRS

DEPARTMENT OF STATE
OCT 3 1927
DIVISION OF
NEAR EASTERN AFFAIRS

INDEX BUREAU

FILED
OCT 5 1927

The Honorable

The Secretary of State,

Washington.

Sir:

I have the honor to give herewith some information which I believe may be of interest to the Department, in respect of Dr. Erich Weinzinger, referred to in despatch No. 2633 of September 2nd, from the Embassy at Berlin, in transmitting a copy of the CORRESPONDANCE D'ETHIOPIE of August 10th, 1927; described as presumably a propagandist publication directed chiefly against Great Britain.

Dr. Weinzinger,

Dr. Weinzinger, now a man of middle age, was as a young man for several years a functionary in the Austro-Hungarian Consulate General at Constantinople; he subsequently passed some years in Switzerland, where he came into contact with Ras Taffari, the present monarch of Abyssinia, whose tutor he became. Proceeding as a result of this relation to Abyssinia, Dr. Weinzinger served as honorary Austrian Consul in Addis Ababa for three years. He then, after the war, engaged in commerce in that capital as the respresentative of Austrian firms, in which however, I am confidentially informed, he was not successful. As he was known to have two small children to support, he obtained by reason of his earlier connection with the imperial family an official position with the Abyssinian Government for the purpose of conducting certain propaganda which that government was lead to enter upon for the following reasons:

The understanding arranged between England and Italy dividing Abyssinia into respective spheres of influence, which caused great excitement and alarm to the Abyssinian Government, had been brought to the attention of the League of Nations with the intention of a settlement being effected through that body. While this was pending, however, the Abyssinian Government discovered that it could privately compose the affair with Italy by methods believed not to have been altogether disassociated with the use of money, and an Italian mission was sent to Addis Ababa and an Abyssinian mission to Rome. A settlement was effected, leaving only the difference existing with England. The Abyssinian Government therefore established the publication CORRESPONDANCE D'ETHIOPIE issued at Addis Ababa and also at

<u>Paris,</u>

Paris, and placed it in charge of Dr. Weinzinger.

I am informed that Dr. Weinzinger personally is of an honest but obstinate character.

I have the honor to be, Sir,

Your obedient servant,

Albert H. Washburn.

Albert H. Washburn.

Copy to Embassy at Berlin.

EMBASSY OF THE
UNITED STATES OF AMERICA

Berlin, September 16, 1927.

No. 2669

DEPARTMENT OF STATE
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INDEX BUREAU
884.911/2

The Honorable

The Secretary of State,

Washington.

Sir: 884.911/—

Supplementing my despatch No. 2633 of September 2, 1927, with which the Department was furnished a copy of CORRESPONDANCE D'ETHIOPIE, I have the honor to transmit herewith an additional issue of this news-
1/ paper, dated August 22, 1927. The article, "The Problem of Abyssinia. An English Opinion."; may be of interest to the Department.

FILED
OCT 6 1927

The

The Embassy has learned through further inquiry that the editor of CORRESPONDANCE D'ETHIOPIE, Dr. Weinzinger, was at one time a member of the Austrian Consular Service, stationed at Addis Ababa. The sheet, the Embassy's informer believes, enjoys the moral, if not the financial, support of the Abyssinian Government.

I have the honor to be, Sir,

Your obedient servant,

Jacob Gould Schurman.

Enclosure:
1. Copy of
CORRESPONDANCE D'ETHIOPIE.

Correspondance d'Ethiopie

Nr. 8. *Addis Ababa, le 22 août 1927.* *Nr. 8.*

Rédacteur responsable : **Dr. Erich Weinzinger, Addis Ababa, Ethiopie,** Boîte Postale 144.

Les journaux sont autorisés de reproduire nos informations sous réserve d'indication de source. Prière d'envoyer deux exemplaires justificatifs au rédacteur. —
Conditions d'abonnement: pour l'étranger 2/0/0 Lstg par an; pour l'Ethiopie 10.— thalers. — Imprimerie Dr. Erich Weinzinger, Addis Ababa.

LE PROBLÈME ABYSSIN.
Une opinion anglaise.

La visite du Duc des Abruzzes en Ethiopie semble avoir dissipé partiellement, si non complètement, le sentiment de malaise, causé l'année dernière à Addis Ababa par la publication de l'entente »économique« entre l'Italie et la Grande-Bretagne au sujet de l'Ethiopie. Les Abyssins sont fiers de leur longue indépendance et il est vraisemblable que la visite d'un proche parent du souverain d'une grande puissance européenne soit de nature à flatter leur orgueil national, et à les pousser à envisager d'une manière plus philosophique l'action des gouvernements britannique et italien, action qui, tout d'abord, avait suscité un très vif ressentiment. Leur amour propre aura été flatté de ce qu'un Duc italien a fait le long voyage d'Addis Ababa pour rendre à leur propre Régent la visite et par suite le prestige de l'Italie a dû être fort grand pendant le séjour de l'Altesse étranger en Ethiopie. Si cet évènement a pu servir à affermir la position du Régent Tafari Makonnen, l'Italie aura rendu un grand service, non seulement à l'Abyssinie, mais aussi aux puissances européennes, ayant un intérêt au developpement moral et matériel de l'Ethiopie. Une nation cherchant à se tenir à l'écart du monde et voulant vivre sa propre vie sans se laisser troubler par l'action fiévreuse de la civilisation moderne, inspire forcément de la sympathie. Mais les états sont tributaires les uns des autres, et un pays ne peut pas aujourd'hui condnire son développement sans tenir compte de l'évolution des autres pays, sous peine de contribuer à sa propre ruine. Dailleurs l'Ethiopie s'en voudrait de donner à penser qu'elle n'avance pas avec l'époque. La note abyssine à la Ligue des Nations par laquelle elle protestait contre l'accord anglo-italien déclarait que le peuple éthiopien quoique »introduit tout récemment à la civilisation moderne avait le désir de faire ce qui est juste et que le Gouvernement d'Addis Ababa avait la ferme intention de le guider dans le chemin de l'amélioration et du progrès«. En un mot, les Abyssins, ayant commencé l'effort qui doit les amener à la civilisation ne peuvent plus regarder en arrière; mais ils ont le droit de régler eux-mêmes et comme ils l'entendent la marche de leurs progrès. Cependant, le problème qui se pose pour eux, n'est pas la crainte d'une menace quelconque de l'extérieur, mais plutôt les efforts d'une partie de la communauté pour retarder à l'intérieur les périodes successives de leur développement.

Dans l'intéressant article que nous avons publié la semaine dernière, traitant de l'avenir de l'Ethiopie, l'auteur, Mr. C. F. Rey qui a pleinement profité des occassions qui se sont offertes à lui d'étudier le pays et d'avoir une connaissance approfondie de ce peuple, a fait un portrait remarquable des difficultés, entourant le Régent. Parmi la classe dominante, ce prince éclairé est presque tout seul à lutter pour tâcher d'introduire des réformes administratives et un gouvernement modèle ainsi que des institutions modernes. La situation est la suivante:

D'un côté se trouvent ceux qui ont aujourd'hui le pouvoir et l'influence pour la plupart réactionnaires à l'extrême n'ayant eux mêmes aucune instruction, et refusant de donner à leurs enfants une éducation moderne de peur que les yeux de leurs descendants ne viennent à s'ouvrir et à comprendre l'infériorité des parents; d'autre part il y a un nombre toujours croisssant d'abyssins de condition inférieure qui, à tout prix et n'importe comment, les uns à la suite d'un séjour à l'étranger, les autres par les moyens fort limités d'une instruction en Ethiopie même, commencent à comprendre l'impuissance dont le pays souffre à raison de l'influence de l'Église et de l'aristocratie réactionnaire. Dans ces conditions, deux alternatives peuvent se produire: soit un soulèvement social sérieux, une guerre civile qui mettrait en péril l'indépendance abyssine soit une victoire complète du parti réactionnaire qui amènerait inévitablement un conflit avec le monde extérieur. Aussi, le mieux qui pourrait se produire pour l'Ethiopie serait que Tafari Makonnen, qui a le grand avantage d'être encore jeune, soit encouragé dans son oeuvre de progrès; car si jamais »un pays eut un homme« (one-man country) ce pays est bien l'Ethiopie à l'heure actuelle. L'avenir, pour cette raison demeurera obscur jusqu'au moment où le Régent aura pu grouper autour de lui une majorité qui soit assez considérable pour le seconder efficacement et pour neutraliser l'action réactionnaire.

Il est malheureux, dans les circonstances présentes, que la Grande-Bretagne ait choisi précisément cette période du développement abyssin pour témoigner d'une manière dont on ne peut nullement se méprendre, ses sentiments d'impatience dont l'Abyssinie a déjà tellement souffert depuis une génération, et même plus.

L'accord avec l'Italie était exposé à être considéré comme un aveu de l'impuissance du gouvernement britannique de faire marche en avant à Addis Ababa; ce gouvernement aurait préféré, par des revendications préalables, poser des jalons, afin d'obtenir un traitement de faveur pour le cas où l'Abyssinie de l'ouest tomberait un jour sous le contrôle italien. Nous ne voulons nullement prétendre que ceci fut le motif caché de l'accord, ni que cet accord pourrait légitimement recevoir cette interprêtation. Il est évident que la réalisation du barrage sur le Lac Tsana est très en retard, mais la crainte d'un changement quelconque dans le statut de l'Abyssinie de l'ouest, ne justifiait pas l'accord anglo-italien, car le changement de statut n'aurait pas empêché la réalisation du projet de barrage. L'effet immédiat de l'accord anglo-italien fut de neutraliser les intrigues italiennes contre la Grande-Bretagne; par contre il fortifia l'inertie abyssine et suscita de la méfiance et un effroi bien légitimes. Par suite, il semble fort douteux que le consentement désiré pour les travaux du Tsana en soit rapproché d'aucune manière. L'expérience a démontré que dans toutes les relations internationales, et surtout en Orient, la Grande-Bretagne se porte beaucoup mieux lorsqu'elle se fie exclusivement à sa propre diplomatie et lorsqu'elle ne mêle pas ses intérêts à ceux d'une autre puissance. Cela résulte nettement de l'histoire des relations britanniques avec la Perse, et avec la Grèce au début de la guerre et il semblerait que les expériences précédentes vont se répéter dans le cas abyssin. L'action personnelle est indispensable pour réaliser n'importe quel projet en Orient. Il est possible que le problème des relations britanniques avec les Abyssins offre des particularités qu'on ne rencontre dans aucun autre pays. La solution ne se trouvera donc pas prescrite dans les guides diplomatiques, on doit la chercher sur place par une étude approfondie, par le développement d'une sympathie réciproque et par une juste appréciation des difficultés que présente un pareil projet. Puisque le Régent constitue pour le moment le seul espoir du pays, il serait nettement faux d'affaiblir sa position vis à vis des réactionnaires en leur permettant d'insinuer que sa politique doit à la fin amener la reddition de l'Abyssinie au contrôle étranger. Du point de vue du principe »L'Abyssinie aux Abyssins« le projet du Lac Tsana n'a rien de commun avec un chemin de fer italien à travers toute l'étendue du pays, reliant les possessions italiennes du nord au sud. Le premier projet est faisable, le dernier est baroque et même fantaisiste. Cependant les deux projets se sont maintenant étroitement liés dans l'esprit des abyssins et évoquent des alarmes identiques. Si la visite du Duc des Abruzzes arrive à apaiser l'inquiétude des abyssins au sujet des desseins italiens, il est à espérer qu'on saura tirer profit de cette circonstance pour présenter à nouveau le projet du Lac Tsana sous sa lumière véritable.

»The Near East an India«,
Editorial, le 12 mai 1927.

Aujourd'hui, aucun peuple ne pourrait plus se renfermer dans ses frontières et y vivre isolé: tous ont besoin de tous, et chaque nation est à la fois la concurrente et la collaboratrice nécessaire des autres.

Crespi.

Oesterreichisch - abessinischer Handelsvertrag.

Zwischen der Republik Oesterreich und dem Kaiserreich Aethiopien wurde ein Niederlassungs- und Handelsübereinkommen abgeschlossen, das folgende wesentliche Bestimmungen enthaelt:

Die Angehoerigen und die Erzeugnisse jedes der beiden Laender werden gegenseitig im anderen die gleiche Behandlung und die gleichen Vorteile hinsichtlich der Niederlassung, des Handels und der Zoelle geniessen, die den Angehoerigen und den Erzeugnissen der meistbeguenstigsten Nation gegenwaertig zugestanden sind oder in Zukunft zugestanden werden sollten.

Dieser Vertrag wird waehrend fuenf Jahren wirksam sein, die einen Monat nach dem Tage zu laufen beginnen, an dem seine Genehmigung durch die Republik Oesterreich der abessinischen Regierung notifiziert worden sein wird. Wenn weder der eine noch der andere Teil dem anderen zwoelf Monate vor Ablauf dieser fünf Jahre durch eine offizielle Erklaerung seine Absicht zur Kenntnis bringt, die Wirksamkeit des Vertrages zu beendigen oder ihn abzuaendern, wird er ein weiteres Jahr in Kraft bleiben und so fort bis zum Ablauf eines Jahres nach Kuendigung.

Der eingangs erwaehnte Staatsvertrag wurde vom Bundespraesidenten am 19. November 1926 genehmigt. Die Notifikation an die abessinische Regierung erfolgte am 23. Feb. 1927.

Das Uebereinkommen ist daher am 23. Maerz 1927 in Kraft getreten.

Die Vertragsverhandlungen wurden vom ehemaligen oesterreichischen Konsul in Abessinien, Dr. Erich Weinzinger, gefuehrt, der auch den Austausch der Originalurkunden vermittelte.

An English clergyman's impressions on Ethiopia.

(The Rev. Ashley-Brown Chaplain of Aden, in the »Australian Church Standard.«)

The period is a critical one for Abyssinia. The great powers of Europe either have neighbouring interests like Great Britain and Italy which necessarily react on the Abyssinian Empire, or they badly need room for economic expansion or space for their surplus population. Longing eyes are turned towards this undeveloped country of comparatively small population, and amazing natural resources and perfect climate. I had not seen richer country even in Australia and at eight thousand feet Addis Ababa, the capital, though close to the equator is delightfully cool the year round. The very backward state of the people might easily be alleged as an excuse for penetration by some ambitious European statesman.

But at this difficult time a very great man indeed controls the destinies of this Ancient Empire, in the person of the Prince Regent. Like many of the members of ancient Abyssinian families, he is no darker than many a Spaniard, with clean cut features. Indeed in his person he preserves the traditions of the personal beauty in the house of David. He has great charm, great dignity and superb self control.

He is a very simple man. His private wealth is enormous, and he has interests in most of the business enterprises in the Empire. The greater part of the whole rich province of Herar is his own patrimony. But most of all this he expends in the service of the State. He dresses in the simple white cotton clothes of his people, with a coarse black wool burnous or cape in rainy weather. He wears no jewels, a surprise to me, as I have often seen Indian princes literally ablaze with precious stones.

He is a strong man and a very clever man. It has needed both great strength and ability to rule his State of powerful nobles and turbulent people through stormy days.

His success as a general was as great as that which he has known as a ruler, legislator, judge, and diplomat. He has held his own with the diplomats who represent the great Powers at his court and indeed with his clever appeal to the League of Nations he checkmated Great Britian and Italy in their Lake Tsana-Railway agreement. Every movement in the great machinery of state throughout his Empire is controlled by his own able hands. He knows everything that goes on. Communications are poor and very slow, so at times his justice may appear slow, but it is inevitable. There is probably no man in the world so hard worked as he is. One is amazed that such a slender form should shelter a spirit of tireless energy, and without being burnt up should hold such a consuming fire of passionate enthusiasm. He is his own Chief justice for by the immutable laws of Abyssinia he must personally try all cases which may involve capital punishment. In ecclesiastical matters he has much the same place as the Tudor monarchs desired in England. He might describe himself very really as »fidei defensor.« As head of a State that was Christian when our ancesters still worshipped their Teutonic, deities „A Christian island in a sea of Paganism," to quote Menelik II, the present Prince Regent is naturally a devoted churchman but his churchmanship is also inspired by a great sincerity and deep spirituality. His interest in theology is great and well informed.

He is a great statesman and patriot. He burns to lift his people out of the morass of ignorance and superstition in which their isolation for so many centuries has kept them. In his private press he is printing the Scriptures, the liturgy, and other inspiring

literature so that the common people may read in the common vulgar tongue. His anxiety for their uplift in this way, reminds us of our own King Alfred of long age, and indeed Abyssinia in many ways reminded me of what I imagine England was like in the Saxon days. But the road before His Imperial Highness is a hard one and a lonely one. Deadly forces of obscurantism and reaction surround him. „Who is sufficient for these Things?" Fellow Christians in Australia can give the same answer to this question as would that gallant prince facing his tremendous task so nobly and light-heartedly in Africa's Christian Empire so far away. Perhaps some of them will pray for him and his church and people.

I shall never forget the kindness and courtesy I received among the Abyssinian mountains.

Lebenshaltungs-Kosten in Abessinien.

Auf Grund zahlreicher Anfragen Auswanderungslustiger und sonstiger Interessenten hat die »Correspondance d'Ethiopie« nachstehende Angaben zusammengestellt, die von allgemeinem Interesse sein dürften (1 engl. Pfund ist ca 10.25 Maria Theresia Thaler):

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12 Flaschen Milch à 0.75 l.		1.—
100 kg Gerste		7.—
100 kg Korn		12.—
100 kg Kochsalz		8.50
1 kg 95° Alkohol		2.—
1 Kiste Petroleum, 35 kg		10.—
2 Esellasten Brennholz		1.—
1 Sack Holzkohle		1.50
2 Esellasten Heu		1.—
1 Kiste Auto Benzin (35 kg)		17.—
30 Stearinkerzen		1.—
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17 kg (1 Frasula) Kaffee		10.—
Reitpferd		20.— 60.—
Reitmaultier		40.— 100.—
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Man schreibt uns aus München:

»Unter Beteiligung der Ostwerke A. G. Berlin ist vor kurzem eine Aktiengesellschaft deutschen Rechts mit einem Grundkapital von 675.000 RM. unter der Firma »St. Georg Brauerei« A. G. in Adis Ababa, der Hauptstadt Abessiniens errichtet worden. Beteiligt an der Gruendung dieses neuen Brauereiunternehmens sind ferner noch: »Die Società Anonima Paolo Schubert, Mailand, die Hall u. Co. G. m. b. H. Addis Ababa, die offene Handelsgesellschaft Boehm u. Reitzenbaum, Berlin, und die Naamlooze Vennotschap Amsterdam-Rio de Janeiro Bank in Amsterdam. Die Hall u. Co. G. m. H. bringt die dem Kaufmann David Hall in Addis Ababa von der abessinischen Regierung verliehene Brauereikonzession in die Gesellschaft ein und erhaelt hiefuer Aktien im Betrage von 200.000 RM. Der erste AR. besteht aus: Dr. Alberto Redenti, Mailand, Kaufmann Paul Schubert, Mailand, Kaufmann Wolf Kessler-Rossillon, Addis Abeba, Direktor Hans Kraemer, Berlin, Kaufmann Alfred Reitzenbaum, Berlin, Direktor Georg von Falkenhayn, Berlin, Georg Maschke, Berlin-Wannsee.

* * *

Diplomatie et Presse.

(Extrait d'un discours de l'Ambassadeur de Belgique à Londres).

»L'entente entre la diplomatie et la presse est ***inévitable***. La presse est l'expression la plus haute de l'opinion publique et les gouvernements ***dépendent*** de cette opinion publique. On a souvent dit que les diplomates se considèrent comme ennemis des journalistes parceque le travail des premiers se fait d'habitude en ***secret,*** tandisque les journalistes disent tout à ***haute voix.***«

Dans une société l'extirpation des grands abus est plus facile que la correction des petits; car, dans le premier cas c'est une question de vie et de mort; dans le second, personne n'a assez d'intérêt à la réforme pour engager une lutte radicale.

Renan.

literature so that the common people may read in the common vulgar tongue. His anxiety for their uplift in this way, reminds us of our own King Alfred of long age, and indeed Abyssinia in many ways reminded me of what I imagine England was like in the Saxon days. But the road before His Imperial Highness is a hard one and a lonely one. Deadly forces of obscurantism and reaction surround him. „Who is sufficient for these Things?" Fellow Christians in Australia can give the same answer to this question as would that gallant prince facing his tremendous task so nobly and light-heartedly in Africa's Christian Empire so far away. Perhaps some of them will pray for him and his church and people.

I shall never forget the kindness and courtesy I received among the Abyssinian mountains.

Lebenshaltungs-Kosten in Abessinien.

Auf Grund zahlreicher Anfragen Auswanderungslustiger und sonstiger Interessenten hat die »Correspondance d'Ethiopie« nachstehende Angaben zusammengestellt, die von allgemeinem Interesse sein dürften (1 engl. Pfund ist ca 10.25 Maria Theresia Thaler):

Eisenbahnfahrt Djibouti-Addis Ababa		
I. Klasse	Thaler	45.—
II. »	»	25.—
Hotel-Pension per Tag	»	2.— 8.—
Monatl. Kosten der Lebenshaltung f. e. Junggesellen		100.— 150.—
für e. Familie		150.— 300.—
Khaki-Anzug		25.—
Konfektionsanzug		40.—
Mass-Anzug		70.—
Schuhe		7.— 15.—
» besohlen		3.—
Hemd		3.— 5.—
Hut		3.— 16.—
100 Zigaretten		1.—
Aerztliche Visite		3.— 5.—
Gehalt f. Bureauangestellte		100.— 200.—
Gehalt f. Handwerker per Tag		3.— 8.—
Mehl, Sack v. 50 kg.		13.—
60 Eier		1.—
Reis per Kilogramm		0.50
Rindfleisch per kg		0.25 — 0.50
3 kg Zucker		1.—
1 Huhn		0.25
10 Zitronen	Thaler	1/16
20 Orangen		1.—
3 kg Kartoffel		1.—
Inländ. Kochoel p. kg		1.—
Europ. Speiseoel p. kg		2.—
Tafelbutter p. kg		2.50
Kochbutter p. Tin v. 17 kg		20.—
Schweinefleisch p. kg		1.50
Schweinefett p. kg		1.50
Marseiller Seife 10 St. à 150 gr		1.—
12 Flaschen Milch à 0.75 l.		1.—
100 kg Gerste		7.—
100 kg Korn		12.—
100 kg Kochsalz		8.50
1 kg 95° Alkohol		2.—
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VARIA.

Man schreibt uns aus München:

»Unter Beteiligung der Ostwerke A. G. Berlin ist vor kurzem eine Aktiengesellschaft deutschen Rechts mit einem Grundkapital von 675.000 RM. unter der Firma »St. Georg Brauerei« A. G. in Adis Ababa, der Hauptstadt Abessiniens errichtet worden. Beteiligt an der Gruendung dieses neuen Brauereiunternehmens sind ferner noch: »Die Societa Anonima Paolo Schubert, Mailand, die Hall u. Co. G. m. b. H. Addis Ababa, die offene Handelsgesellschaft Boehm u. Reitzenbaum, Berlin, und die Naamlooze Vennotschap Amsterdam-Rio de Janeiro Bank in Amsterdam. Die Hall u. Co. G. m. H. bringt die dem Kaufmann David Hall in Addis Ababa von der abessinischen Regierung verliehene Brauereikonzession in die Gesellschaft ein und erhaelt hiefuer Aktien im Betrage von 200.000 RM. Der erste AR. besteht aus: Dr. Alberto Redenti, Mailand, Kaufmann Paul Schubert, Mailand, Kaufmann Wolf Kessler-Rossillon, Addis Abeba, Direktor Hans Kraemer, Berlin, Kaufmann Alfred Reitzenbaum, Berlin, Direktor Georg von Falkenhayn, Berlin, Georg Maschke, Berlin-Wannsee.

* * *

Diplomatie et Presse.

(Extrait d'un discours de l'Ambassadeur de Belgique à Londres).

»L'entente entre la diplomatie et la presse est ***inévitable.*** La presse est l'expression la plus haute de l'opinion publique et les gouvernements ***dépendent*** de cette opinion publique. On a souvent dit que les diplomates se considèrent comme ennemis des journalistes parceque le travail des premiers se fait d'habitude en ***secret,*** tandisque les journalistes disent tout à ***haute voix.***«

Dans une société l'extirpation des grands abus est plus facile que la correction des petits; car, dans le premier cas c'est une question de vie et de mort; dans le second, personne n'a assez d'intérêt à la réforme pour engager une lutte radicale.

Renan.

CLASSIFICATION CANCELED AUTHORITY LETTER OF 1-8-58 FROM W. H. ANDERSON, STATE DEP'T BY William Leeuse DATE July 17 1962

CLASSIFICATION CANCELED AUTHORITY LETTER
OF 1-8-58 FROM W. H. ANDERSON, STATE DEP'T
BY William Evans DATE July 11 1958

March 5, 1929

In reply refer to
NE 884.9241/1

884.9241/2

Mr. Reynolds Benson,
245 West 11th Street,
New York City.

S i r:

The receipt is acknowledged of your letter of February 19, 1929 in which you request information regarding the mineral resources and geological nature of Ethiopia (Abyssinia).

Though various travelers have reported the existence of minerals in Ethiopia, the Department is not aware that the territory has ever been thoroughly and scientifically prospected, nor does it know of any publication solely in regard to the geological nature of the country. A certain amount of geological information may be found in the literature regarding Ethiopia, a comprehensive bibliography of which appears on pages 641-642 of "The Statesman's Year Book", 1928 edition. Copies of this publication are available in most libraries.

In the event that you desire further and more specific

CLASSIFICATION CANCELED AUTHORITY LETTER
OF 1-8-58 FROM W. H. ANDERSON, STATE DEP'T
BY William Evans DATE June 11 1958

specific information it is suggested that you may wish to correspond directly with the American Minister Resident and Consul General at Addis Ababa who should be addressed as follows:

The Honorable
Addison E. Southard,
Minister Resident and Consul General,
Addis Ababa, Ethiopia.

I am, Sir,
Your obedient servant,
For the Secretary of State:
G. Howland Shaw
Chief, Division of Near Eastern Affairs.

NE PHA/LVD

CR
Mar. 7, 1929 pm

A true copy of the signed original.